



COMMONWEALTH OF KENTUCKY

2018 - 2020

EXECUTIVE BUDGET

VOLUME I

MATTHEW G. BEVIN
GOVERNOR



JOHN E. CHILTON
STATE BUDGET DIRECTOR

TABLE OF CONTENTS

	<u>PAGE</u>
EXECUTIVE BRANCH	1
GENERAL GOVERNMENT	3
Office of the Governor	5
Office of State Budget Director	7
State Planning Fund	8
Homeland Security	9
Veterans' Affairs	10
Governor's Office of Agricultural Policy	12
Kentucky Infrastructure Authority	14
Military Affairs	16
Commission on Human Rights	18
Commission on Women	19
Department for Local Government	20
Local Government Economic Assistance Fund	22
Local Government Economic Development Fund	24
Area Development Fund	26
Executive Branch Ethics Commission	27
Secretary of State	28
Board of Elections	30
Registry of Election Finance	32
Attorney General	33
Commonwealth's Attorneys	35
County Attorneys	36
Treasury	37
Agriculture	39
Auditor of Public Accounts	41
Personnel Board	42
Kentucky Retirement Systems	43
Occupational and Professional Boards and Commissions	44
Kentucky River Authority	46
School Facilities Construction Commission	48
Teachers' Retirement System	50
Appropriations Not Otherwise Classified	52
KY Communications Network Authority	53

	<u>PAGE</u>
ECONOMIC DEVELOPMENT	55
Economic Development	55
DEPARTMENT OF EDUCATION.....	57
Support Education Excellence in Kentucky (SEEK).....	58
Operations and Support Services	59
Commissioner’s Office/Board of Education.....	60
Administration and Support.....	61
Guiding Support Services	63
Knowledge, Information and Data Services	64
Learning and Results Services	65
Next Generation Schools	66
Next Generation Learners.....	67
Assessment and Accountability	70
State Schools.....	71
Career and Technical Education	72
Local District Health Insurance	73
EDUCATION AND WORKFORCE DEVELOPMENT.....	74
General Administration and Program Support	76
Proprietary Education.....	78
Deaf and Hard of Hearing	79
Kentucky Educational Television	80
Environmental Education Council.....	82
Libraries and Archives	83
Libraries and Archives.....	84
Direct Local Aid.....	87
Office for the Blind	88
Employment and Training	90
Employer and Placement Services.....	92
Unemployment Insurance	93
Workforce Innovation and Opportunity Act.....	95
Vocational Rehabilitation.....	96
Education Professional Standards Board.....	98

	<u>PAGE</u>
ENERGY AND ENVIRONMENT	99
Secretary.....	101
Environmental Protection	102
Commissioner.....	103
Water.....	104
Waste Management	105
Air Quality	106
Environmental Program Support	107
Enforcement	108
Compliance Assistance.....	109
Petroleum Storage Tank Environmental Assurance Fund	110
Natural Resources.....	111
Commissioner.....	113
Forestry.....	114
Technical and Administrative Support	115
Conservation.....	116
Oil and Gas.....	117
Mine Permits.....	118
Mine Reclamation and Enforcement	119
Abandoned Mine Lands	120
Mine Safety.....	121
Bond Pool Reclamation Fund	122
Reclamation Guaranty Fund.....	123
Abandoned Mine Land Reclamation Projects	124
Mine Safety Review Commission	125
Energy Development and Independence	126
Kentucky Nature Preserves Commission.....	127
Public Service Commission.....	128
 FINANCE AND ADMINISTRATION	 129
General Administration	131
Controller	133
Office of Inspector General	135
Debt Service	136
Facilities and Support Services.....	137
County Costs	140
Commonwealth Office of Technology.....	142
Revenue.....	144
Property Valuation Administrators	146

	<u>PAGE</u>
HEALTH AND FAMILY SERVICES	147
General Administration and Program Support	149
Administrative Support	150
Inspector General	152
Commission for Children with Special Health Care Needs	153
Medicaid Services	155
Medicaid Administration	156
Medicaid Benefits	158
Behavioral Health, Developmental and Intellectual Disabilities	161
Community Behavioral Health	162
Community Developmental and Intellectual Disabilities	164
General Support	165
Residential Services	166
Public Health	168
General Health Support	170
Women’s Health	172
Prevention and Quality Improvement	174
Epidemiology and Health Planning	176
Maternal and Child Health	178
Laboratory Services	180
Public Health Protection and Safety	181
Health Policy	183
Family Resource Centers and Volunteer Services	184
Family Resource and Youth Services Center	185
Kentucky Commission on Community Volunteerism and Service	186
Income Support	187
Disability Determinations	188
Child Support	189
Community Based Services	190
Family Support	191
Energy	194
Child Care	195
Family and Community Services	198
Aging and Independent Living	202
Aging and Independent Living	203
Guardianship	206
Health Benefit and Information Exchange	207

	<u>PAGE</u>
JUSTICE AND PUBLIC SAFETY	208
Justice Administration.....	210
Criminal Justice Training	214
Juvenile Justice	216
State Police.....	219
Corrections.....	221
Corrections Management.....	223
Adult Correctional Institutions	224
Community Services and Local Facilities	227
Local Jail Support	229
Public Advocacy	230
 LABOR	 232
Secretary.....	234
General Administration and Program Support	235
Workplace Standards.....	236
Workers' Claims.....	238
Occupational Safety and Health Review Commission.....	239
Workers' Compensation Funding Commission.....	240
Workers' Compensation Nominating Committee	242
 PERSONNEL	 243
General Operations	244
Public Employees Deferred Compensation Authority.....	246
Workers' Compensation Benefits and Reserve	247
State Group Health Insurance Fund.....	248
 POSTSECONDARY EDUCATION	 249
Council on Postsecondary Education.....	250
Agency Operations.....	252
Licensure	253
Pass Through Programs	254
Federal Programs.....	256
Strategic Investment and Incentive Funding Program.....	257
Kentucky Higher Education Assistance Authority	259
Postsecondary Education Institutions.....	262

	<u>PAGE</u>
Eastern Kentucky University	263
Kentucky State University	265
Morehead State University	266
Murray State University	268
Northern Kentucky University	270
University of Kentucky	272
University of Louisville	274
Western Kentucky University	275
Kentucky Community and Technical College System	277
Postsecondary Education Performance Fund.....	279
PUBLIC PROTECTION	280
Secretary.....	281
KY Claims Commission.....	282
Professional Licensing	283
Boxing and Wrestling Commission	284
Alcoholic Beverage Control.....	285
Charitable Gaming.....	286
Financial Institutions	287
Horse Racing Commission.....	288
Housing, Buildings and Construction.....	290
Insurance	292
TOURISM, ARTS AND HERITAGE	294
Secretary.....	296
Artisans Center	297
Kentucky Department of Tourism	298
Parks	300
Horse Park Commission	302
State Fair Board.....	303
Fish and Wildlife Resources.....	305
Historical Society	307
Arts Council.....	309
Heritage Council	310
Kentucky Center for the Arts	311

	<u>PAGE</u>
TRANSPORTATION	312
General Administration and Support.....	314
Aviation	316
Debt Service	318
Highways	320
Research.....	321
Construction.....	322
Maintenance	324
Engineering Administration	325
Planning	326
Highway Operations	327
Equipment Services	328
Highway Safety.....	329
Public Transportation.....	330
Revenue Sharing.....	331
Vehicle Regulation.....	333
 STATEWIDE	
Budget Reserve Trust Fund	335
Kentucky Permanent Pension Fund	336

	Executive Branch				
	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	10,874,212,600	12,237,347,700	12,557,808,400	10,826,618,400	11,123,157,000
Postsecondary Ed Performance			-626,500		
Special Appropriation	10,939,000				
Current Year Appropriation	19,953,600				
Continuing Approp-General Fund	188,358,700	11,779,983	11,779,983	8,054,200	70,468,300
Budget Reduction-General Fund	-126,634,800				
Mandated Allotments	-69,827,700				
Other	-54,711,500				
Total General Fund	10,842,289,900	12,249,127,683	12,568,961,883	10,834,672,600	11,193,625,300
Tobacco Fund					
Tobacco Settlement - Phase I	95,018,000	97,485,600	100,413,000	121,531,400	120,087,500
Current Year Appropriation	30,242,000				
Continuing Approp-Tob Settlement	64,283,100	18,996,200	14,981,500	18,766,200	14,714,900
Total Tobacco Fund	189,543,100	116,481,800	115,394,500	140,297,600	134,802,400
Restricted Funds					
Balance Forward	734,338,059	452,247,298	387,095,398	475,196,228	326,682,228
Current Receipts	7,300,229,858	7,719,969,200	8,045,174,000	7,713,446,400	8,048,953,000
Non-Revenue Receipts	842,006,311	794,441,600	802,446,600	778,467,000	786,526,800
Fund Transfers	-64,346,700	-3,115,100	-3,117,800	-72,059,900	-47,562,800
Total Restricted Funds	8,812,227,528	8,963,542,998	9,231,598,198	8,895,049,728	9,114,599,228
Federal Fund					
Balance Forward	56,339,719	21,947,195	15,674,995	21,846,219	16,708,519
Current Receipts	13,204,699,900	13,552,865,400	13,784,666,100	13,495,897,000	13,677,825,400
Non-Revenue Receipts	-1,157,500	-1,872,800	-2,271,600	-572,800	-971,600
Fund Transfers		1,300,000	1,300,000		
Total Federal Fund	13,259,882,119	13,574,239,795	13,799,369,495	13,517,170,419	13,693,562,319
Road Fund					
Regular Appropriation	1,473,941,300	1,627,926,000	1,628,435,000	1,527,470,900	1,507,557,500
Surplus Expenditure Plan	57,237,100				
Other	4,927,000				
Total Road Fund	1,536,105,400	1,627,926,000	1,628,435,000	1,527,470,900	1,507,557,500
TOTAL SOURCE OF FUNDS	34,640,048,047	36,531,318,276	37,343,759,076	34,914,661,247	35,644,146,747
EXPENDITURES BY CLASS					
Personnel Costs	7,372,946,800	8,091,530,335	8,305,131,338	7,773,954,455	7,900,136,455
Operating Expenses	3,205,744,200	3,504,007,330	3,675,808,822	3,375,387,820	3,522,250,320
Grants Loans Benefits	20,671,044,500	21,832,262,981	22,223,689,757	20,768,437,925	21,102,942,425
Debt Service	1,232,294,400	1,235,191,700	1,299,784,400	1,197,063,300	1,223,004,800
Capital Outlay	238,464,100	256,978,193	264,601,522	232,527,800	238,778,100
Construction	1,330,126,700	1,152,872,600	1,155,517,800	1,115,452,300	1,109,011,900
TOTAL EXPENDITURES	34,050,620,700	36,072,843,139	36,924,533,639	34,462,823,600	35,096,124,000
EXPENDITURES BY FUND SOURCE					
General Fund	10,781,957,900	12,225,164,239	12,545,280,639	10,746,339,700	10,922,178,000
Tobacco Fund	168,485,400	99,431,500	102,418,700	123,551,300	126,075,000
Restricted Funds	8,337,031,300	8,562,811,600	8,859,547,800	8,568,367,500	8,862,821,600
Federal Fund	13,238,035,900	13,558,564,800	13,788,851,500	13,500,461,900	13,680,859,600
Road Fund	1,525,110,200	1,627,926,000	1,628,435,000	1,524,103,200	1,504,189,800
TOTAL EXPENDITURES	34,050,620,700	36,073,898,139	36,924,533,639	34,462,823,600	35,096,124,000

EXPENDITURES BY UNIT

General Government	1,774,487,900	1,836,038,700	1,797,335,100	1,708,342,600	1,663,416,200
Economic Development	24,749,800	28,535,100	28,406,800	31,672,600	32,384,800
Department of Education	5,081,677,500	5,555,170,700	5,560,657,500	4,885,519,300	4,885,920,600
Education and Workforce Development	605,114,600	637,968,700	640,732,500	630,653,700	635,306,400
Energy and Environment	248,860,100	275,610,300	279,677,300	266,037,200	273,851,800
Finance and Administration	866,671,900	965,749,900	1,004,751,600	919,544,900	949,029,400
Health and Family Services	13,649,749,200	14,235,673,000	14,593,398,500	13,902,025,100	14,153,724,700
Justice and Public Safety	1,066,664,900	1,398,549,900	1,435,609,400	1,279,407,200	1,315,928,100
Labor	205,174,700	219,859,700	221,758,400	221,768,700	221,427,400
Personnel	63,931,100	67,154,000	67,716,700	66,174,600	66,486,800
Postsecondary Education	7,556,521,200	8,028,185,539	8,459,755,139	7,834,090,600	8,200,114,600
Public Protection	112,459,700	123,388,100	124,389,900	123,723,400	122,273,100
Tourism, Arts and Heritage	243,199,200	278,744,900	288,622,300	258,238,600	261,409,800
Transportation	2,551,358,900	2,423,269,600	2,421,722,500	2,335,625,100	2,314,850,300
TOTAL EXPENDITURES	34,050,620,700	36,073,898,139	36,924,533,639	34,462,823,600	35,096,124,000

General Government

General Government

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,207,320,700	1,334,242,900	1,297,092,000	1,219,145,100	1,170,220,700
Current Year Appropriation	2,820,200				
Continuing Approp-General Fund	203,700				
Budget Reduction-General Fund	-1,939,600				
Mandated Allotments	15,370,000				
Other	22,754,000				
Total General Fund	1,246,529,000	1,334,242,900	1,297,092,000	1,219,145,100	1,170,220,700
Tobacco Fund					
Tobacco Settlement - Phase I	31,100,200	31,260,600	31,284,200	43,203,300	41,029,300
Current Year Appropriation	4,198,300				
Continuing Approp-Tob Settlement	39,822,200	18,996,200	14,981,500	18,766,200	14,714,900
Total Tobacco Fund	75,120,700	50,256,800	46,265,700	61,969,500	55,744,200
Restricted Funds					
Balance Forward	139,781,744	108,404,356	97,462,756	120,639,928	78,216,228
Current Receipts	209,744,673	238,705,800	238,787,700	228,004,500	233,011,600
Non-Revenue Receipts	77,027,311	72,778,200	73,374,600	70,679,000	71,611,600
Fund Transfers	-2,507,800			-27,500,000	-1,500,000
Total Restricted Funds	424,045,928	419,888,356	409,625,056	391,823,428	381,339,428
Federal Fund					
Balance Forward	13,749,919	9,989,295	5,971,395	9,926,819	6,529,619
Current Receipts	162,807,700	137,981,200	138,238,700	123,080,600	123,116,500
Non-Revenue Receipts	1,177,400			1,300,000	1,300,000
Fund Transfers		1,300,000	1,300,000		
Total Federal Fund	177,735,019	149,270,495	145,510,095	134,307,419	130,946,119
Road Fund					
Regular Appropriation	520,400	525,300	527,200	557,900	562,000
Total Road Fund	520,400	525,300	527,200	557,900	562,000
TOTAL SOURCE OF FUNDS	1,923,951,047	1,954,183,851	1,899,020,051	1,807,803,347	1,738,812,447
EXPENDITURES BY CLASS					
Personnel Costs	464,804,200	465,141,400	475,173,300	428,038,700	432,094,000
Operating Expenses	112,258,400	149,868,900	150,143,600	123,253,300	123,770,600
Grants Loans Benefits	901,452,000	944,180,600	914,502,300	884,961,300	851,060,700
Debt Service	288,043,500	263,650,600	245,931,200	260,542,100	246,506,200
Capital Outlay	7,929,800	13,197,200	11,584,700	11,547,200	9,984,700
TOTAL EXPENDITURES	1,774,487,900	1,836,038,700	1,797,335,100	1,708,342,600	1,663,416,200
EXPENDITURES BY FUND SOURCE					
General Fund	1,246,398,800	1,334,242,900	1,297,092,000	1,219,145,100	1,170,220,700
Tobacco Fund	56,354,500	35,381,500	35,417,800	47,254,600	49,004,300
Restricted Funds	303,406,000	322,589,900	321,860,700	313,607,200	317,020,300
Federal Fund	167,808,200	143,299,100	142,437,400	127,777,800	126,608,900
Road Fund	520,400	525,300	527,200	557,900	562,000
TOTAL EXPENDITURES	1,774,487,900	1,836,038,700	1,797,335,100	1,708,342,600	1,663,416,200
EXPENDITURES BY UNIT					
Office of the Governor	14,711,400	9,450,800	9,512,600	9,142,400	9,142,500
Office of State Budget Director	3,245,600	3,936,800	4,059,500	3,834,300	3,917,300
State Planning Fund		137,200	137,200		
Homeland Security	5,791,200	5,967,200	6,010,000	5,996,900	6,025,200
Department of Veterans' Affairs	95,437,200	113,372,300	115,719,600	102,865,800	103,582,000

EXPENDITURES BY UNIT

Governor's Office of Agricultural Policy	49,595,500	32,831,500	32,867,800	44,704,600	46,454,300
Kentucky Infrastructure Authority	83,868,700	79,365,400	79,406,000	77,341,500	82,965,600
Military Affairs	130,304,700	122,697,300	123,849,300	99,457,700	100,228,800
Commission on Human Rights	1,945,500	2,687,000	2,788,700	1,603,900	1,734,700
Commission on Women	225,200	268,600	273,700		
Department for Local Government	45,316,300	48,391,600	48,586,900	47,506,900	47,642,900
Local Government Economic Assistance Fund	31,746,400	23,183,500	22,680,800	26,257,600	22,825,700
Local Government Economic Development Fund	11,400,000	19,540,700	14,998,900	16,400,000	16,400,000
Area Development Fund	408,900	431,000	431,000		
Executive Branch Ethics Commission	785,200	888,500	903,200	1,383,900	1,390,700
Secretary of State	4,654,400	5,245,800	5,334,100	5,113,500	5,155,100
Board of Elections	8,280,200	9,667,900	8,656,400	8,507,200	7,403,300
Registry of Election Finance	1,231,700	1,509,900	1,543,100	1,448,100	1,466,500
Attorney General	37,098,000	39,511,900	39,895,700	36,570,200	36,448,100
Unified Prosecutorial System	96,922,800	134,331,700	136,900,700	119,474,400	120,717,300
Treasury	4,063,100	4,625,000	4,708,200	4,403,900	4,359,800
Agriculture	35,085,200	38,989,600	39,517,600	36,318,200	36,527,400
Auditor of Public Accounts	14,651,800	18,831,200	19,227,900	15,625,800	15,727,200
Personnel Board	913,800	1,015,200	1,030,600	1,009,800	1,018,500
Kentucky Retirement Systems	130,534,700	47,613,500	48,327,600	47,307,300	47,702,500
Occupational & Professional Boards & Commissions	21,877,700	25,179,300	25,565,600	25,187,000	25,400,300
Kentucky River Authority	3,846,300	7,691,500	7,704,000	7,572,200	7,575,700
School Facilities Construction Commission	134,918,000	129,925,400	130,502,600	129,286,000	127,846,700
Teachers' Retirement System	758,352,200	853,285,700	811,832,200	782,609,700	733,463,400
Appropriations Not Otherwise Classified	17,026,400	18,526,400	18,526,400	14,526,400	14,526,400
KY Communications Network Authority	30,249,800	36,939,300	35,837,200	36,887,400	35,768,300
TOTAL EXPENDITURES	1,774,487,900	1,836,038,700	1,797,335,100	1,708,342,600	1,663,416,200

**General Government
Office of the Governor**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,516,800	6,479,300	6,628,100	6,170,900	6,258,000
Budget Reduction-General Fund	-282,600				
Total General Fund	5,234,200	6,479,300	6,628,100	6,170,900	6,258,000
Tobacco Fund					
Tobacco Settlement - Phase I	2,050,000	2,210,400	2,234,000	2,050,000	2,050,000
Continuing Approp-Tob Settlement	4,010,700				
Total Tobacco Fund	6,060,700	2,210,400	2,234,000	2,050,000	2,050,000
Restricted Funds					
Balance Forward	505,200	325,000	173,200	325,000	173,200
Current Receipts	267,200	267,200	267,200	267,200	267,200
Non-Revenue Receipts	232,500	240,500	245,400	240,500	245,400
Total Restricted Funds	1,004,900	832,700	685,800	832,700	685,800
Federal Fund					
Current Receipts	2,857,600	262,000	175,000	262,000	175,000
Non-Revenue Receipts	-121,000				
Total Federal Fund	2,736,600	262,000	175,000	262,000	175,000
TOTAL SOURCE OF FUNDS	15,036,400	9,784,400	9,722,900	9,315,600	9,168,800
EXPENDITURES BY CLASS					
Personnel Costs	5,555,600	6,919,500	7,091,800	6,514,500	6,610,200
Operating Expenses	1,488,300	1,430,800	1,430,900	1,461,800	1,461,800
Grants Loans Benefits	7,667,500	1,100,500	989,900	1,166,100	1,070,500
TOTAL EXPENDITURES	14,711,400	9,450,800	9,512,600	9,142,400	9,142,500
EXPENDITURES BY FUND SOURCE					
General Fund	5,234,200	6,479,300	6,628,100	6,170,900	6,258,000
Tobacco Fund	6,060,700	2,050,000	2,050,000	2,050,000	2,050,000
Restricted Funds	679,900	659,500	659,500	659,500	659,500
Federal Fund	2,736,600	262,000	175,000	262,000	175,000
TOTAL EXPENDITURES	14,711,400	9,450,800	9,512,600	9,142,400	9,142,500
EXPENDITURES BY UNIT					
Governor	4,271,200	5,273,700	5,385,900	4,985,200	5,047,600
Governor's Office Expense Allowance	28,300	34,100	34,100	33,900	34,400
Lieutenant Governor	744,800	888,600	912,700	880,600	897,300
Lieutenant Governor's Expense Allowance	15,800	19,300	19,300	18,900	19,200
Secretary of the Cabinet	250,600	295,300	302,000	293,300	297,200
Kentucky Commission on Military Affairs	396,400	263,000	268,800	253,700	257,000
Early Childhood Advisory Council	9,004,300	2,676,800	2,589,800	2,676,800	2,589,800
TOTAL EXPENDITURES	14,711,400	9,450,800	9,512,600	9,142,400	9,142,500

The Governor serves as the chief administrator of the Commonwealth and, in addition to other powers and duties, acts as Commander-in-Chief of all state military forces, makes appointments for vacancies to executive offices and memberships on boards and commissions authorized by statute, and has the power to grant pardons and commutations. As chief administrator of Kentucky, the Governor ensures that state government provides needed services to the citizens of the Commonwealth at minimum cost to the taxpayer.

The Lieutenant Governor is a constitutional officer elected jointly with the Governor. The Lieutenant Governor is to assume the duties and responsibilities of the Office of the Governor should the Governor be impeached or removed from

Office, die, fail to qualify, resign, or be unable to discharge the duties of that office. Additional duties of the Lieutenant Governor include serving on various boards and commissions, serving on Kentucky delegations to several interstate compact commissions, and appointing members to various boards.

The Secretary of the Executive Cabinet develops and implements the major program decisions for the Executive Branch of government. As part of these duties, the Secretary of the Cabinet oversees the administration of the various cabinets and agencies of state government and coordinates legislative policy for the Governor. This role promotes cooperation and coordination among all agencies and programs of state government.

The Military Affairs Commission (KRS 154.12-203) has been a part of the Office of the Governor since 1996. The Commission serves in an advisory capacity to the Governor, the General Assembly, the Kentucky Congressional Delegation, and other appropriate government officials. This commission is designed to support the U.S. military's widespread presence in Kentucky and to recognize its contribution to the economy and well-being of the Commonwealth. Among the installations and operations eligible for support are: Fort Knox, Fort Campbell, Bluegrass Station in Lexington, National Guard and Reserve operations throughout the state, and Bluegrass Army Depot in Richmond.

The Early Childhood Advisory Council (KRS 200.700) was established in the Governor's Office in 2011. The office coordinates development and continuing activities of Community Early Childhood Councils. The councils work toward implementation of Kentucky's long-range strategic plan for early childhood development on the local level. The councils build upon existing resources, foster public-private partnerships, and work within their communities toward such goals as the availability of high quality, accessible, and affordable early childhood care and education options. The Early Childhood Advisory Council provides technical assistance, monitoring, evaluation of outcomes of the local partnerships and provides financial assistance to the local councils through Tobacco Fund grants.

General Government
Office of State Budget Director

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,165,500	3,730,200	3,817,200	3,486,400	3,533,700
Budget Reduction-General Fund	-162,200				
Total General Fund	3,003,300	3,730,200	3,817,200	3,486,400	3,533,700
Restricted Funds					
Balance Forward	246,900	246,900	141,300	246,900	141,300
Non-Revenue Receipts	242,300	101,000	101,000	242,300	242,300
Total Restricted Funds	489,200	347,900	242,300	489,200	383,600
TOTAL SOURCE OF FUNDS	3,492,500	4,078,100	4,059,500	3,975,600	3,917,300
EXPENDITURES BY CLASS					
Personnel Costs	2,841,800	3,533,000	3,655,700	3,430,500	3,513,500
Operating Expenses	403,800	403,800	403,800	403,800	403,800
TOTAL EXPENDITURES	3,245,600	3,936,800	4,059,500	3,834,300	3,917,300
EXPENDITURES BY FUND SOURCE					
General Fund	3,003,300	3,730,200	3,817,200	3,486,400	3,533,700
Restricted Funds	242,300	206,600	242,300	347,900	383,600
TOTAL EXPENDITURES	3,245,600	3,936,800	4,059,500	3,834,300	3,917,300
EXPENDITURES BY UNIT					
Budget & Policy Analysis	2,435,200	2,977,200	3,076,900	2,881,700	2,951,800
Policy Research	324,500	387,900	397,500	384,800	390,300
Economic Analysis	485,900	571,700	585,100	567,800	575,200
TOTAL EXPENDITURES	3,245,600	3,936,800	4,059,500	3,834,300	3,917,300

The Office of the State Budget Director, created in KRS 11.068, includes the Governor's Office for Policy and Management (GOPM), the Governor's Office for Policy Research (GOPR), and the Governor's Office for Economic Analysis (GOEA). Under the direction of the State Budget Director, these Offices serve as staff to the Governor, the Governor's Chief of Staff, the Secretary of the Cabinet, and the Secretary of the Finance and Administration Cabinet.

The Governor's Office for Policy and Management (GOPM) prepares the Executive Budget, the Governor's overall financial plan for state government. The preparation of the budget includes the transmittal of information and necessary forms to state agencies, assisting those agencies in the preparation of their budget requests, analyzing the requests, and making recommendations to the Governor. Following enactment of the budget by the General Assembly, GOPM helps agencies implement the appropriations acts through their expenditures for program activities.

The Governor's Office for Policy Research (GOPR) performs research and analysis on public policy issues important to the Commonwealth.

The Governor's Office for Economic Analysis (GOEA) assists the State Budget Director and the Consensus Forecasting Group in providing timely and accurate estimates of General Fund and Road Fund receipts used to build and implement the Budget of the Commonwealth. On October 15th of each odd-numbered year, a preliminary detailed estimate of revenues for the next two fiscal years is presented to the head of the budgeting agency for each branch of state government. To inform the Governor and the General Assembly for the biennial budget process, an official estimate is made in December and presented along with the Governor's Executive Budget recommendation to the General Assembly.

**General Government
State Planning Fund**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	137,200	137,200	137,200		
Budget Reduction-General Fund	-7,000				
Total General Fund	130,200	137,200	137,200		
TOTAL SOURCE OF FUNDS	130,200	137,200	137,200		
EXPENDITURES BY CLASS					
Grants Loans Benefits		137,200	137,200		
TOTAL EXPENDITURES		137,200	137,200		
EXPENDITURES BY FUND SOURCE					
General Fund		137,200	137,200		
TOTAL EXPENDITURES		137,200	137,200		
EXPENDITURES BY UNIT					
State Planning Fund		137,200	137,200		
TOTAL EXPENDITURES		137,200	137,200		

The State Planning Fund supports statewide planning projects designed to improve the delivery of government services. Under Chapter 147 of the Kentucky Revised Statutes, overall planning and development functions are responsibilities of the Governor's Cabinet. KRS 147.075 delegates these functions to a Cabinet committee, designated as the State Planning Committee, which fulfills these responsibilities through its management of the State Planning Fund. The State Planning Committee includes the Governor, representatives from the various program cabinets, and the State Budget Director. The Governor serves as the Chairman of the Committee and the State Budget Director serves as its Secretary. The Governor's Office for Policy and Management reviews proposed planning projects, makes recommendations for funding to the Governor and the other members of the State Planning Committee, and provides staff support to the Committee.

**General Government
Homeland Security**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	231,800	243,500	245,400	251,900	255,200
Budget Reduction-General Fund	-11,900				
Total General Fund	219,900	243,500	245,400	251,900	255,200
Restricted Funds					
Balance Forward	2,636,600	2,482,800	2,377,700	2,482,800	2,283,100
Current Receipts	1,183,400	1,185,000	1,185,000	1,150,900	1,145,400
Non-Revenue Receipts	1,700	1,400	1,400	1,400	1,400
Total Restricted Funds	3,821,700	3,669,200	3,564,100	3,635,100	3,429,900
Federal Fund					
Balance Forward		73,176	73,176		
Current Receipts	3,962,000	4,156,900	4,187,600	4,085,100	4,096,200
Total Federal Fund	3,962,000	4,230,076	4,260,776	4,085,100	4,096,200
Road Fund					
Regular Appropriation	270,400	275,300	277,200	307,900	312,000
Total Road Fund	270,400	275,300	277,200	307,900	312,000
TOTAL SOURCE OF FUNDS	8,274,000	8,418,076	8,347,476	8,280,000	8,093,300
EXPENDITURES BY CLASS					
Personnel Costs	1,999,400	2,253,000	2,292,200	2,277,400	2,302,100
Operating Expenses	234,500	234,500	234,500	239,800	239,800
Grants Loans Benefits	3,557,300	3,479,700	3,483,300	3,479,700	3,483,300
TOTAL EXPENDITURES	5,791,200	5,967,200	6,010,000	5,996,900	6,025,200
EXPENDITURES BY FUND SOURCE					
General Fund	219,900	243,500	245,400	251,900	255,200
Restricted Funds	1,338,900	1,291,500	1,299,800	1,352,000	1,361,800
Federal Fund	3,962,000	4,156,900	4,187,600	4,085,100	4,096,200
Road Fund	270,400	275,300	277,200	307,900	312,000
TOTAL EXPENDITURES	5,791,200	5,967,200	6,010,000	5,996,900	6,025,200
EXPENDITURES BY UNIT					
Office of Homeland Security	5,052,300	5,198,100	5,236,200	5,162,600	5,182,700
Commerical Mobile Radio Service	738,900	769,100	773,800	834,300	842,500
TOTAL EXPENDITURES	5,791,200	5,967,200	6,010,000	5,996,900	6,025,200

The Kentucky Office of Homeland Security (KOHS), administratively attached to the Office of the Governor in accordance with KRS 39G.010, was created to coordinate efforts with public and private partners on issues affecting homeland security. KOHS focuses on preparing Kentucky for man-made or natural disasters. Although its primary role is to serve as the state's administrative liaison with the U. S. Department of Homeland Security, KOHS has initiated a comprehensive prevention-focused homeland security strategy to ensure Kentucky's communities, first responders and families have the resources and information necessary to be prepared for disaster or attack.

The Commercial Mobile Radio Service Emergency Telecommunications Board (CMRS) is administratively attached to the Kentucky Office of Homeland Security pursuant to KRS 65.7623. The CMRS Board collects user fees monthly from subscribers of the approximately 35 wireless carriers providing wireless telephone service in Kentucky. These fees are used to fund technology upgrades at Kentucky's enhanced 911 centers and to enhance the networks operated by the carriers.

General Government
Veterans' Affairs

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	19,083,000	36,990,800	39,338,100	23,905,900	24,617,500
Total General Fund	19,083,000	36,990,800	39,338,100	23,905,900	24,617,500
Restricted Funds					
Balance Forward	23,733,400	7,380,300	5,467,700	6,388,000	1,897,000
Current Receipts	60,001,100	74,468,900	77,067,500	74,468,900	77,067,500
Fund Transfers	-992,300				
Total Restricted Funds	82,742,200	81,849,200	82,535,200	80,856,900	78,964,500
TOTAL SOURCE OF FUNDS	101,825,200	118,840,000	121,873,300	104,762,800	103,582,000
EXPENDITURES BY CLASS					
Personnel Costs	72,793,400	88,735,100	90,733,300	80,563,500	80,930,700
Operating Expenses	16,406,800	17,406,800	17,758,300	16,062,900	16,414,300
Grants Loans Benefits	6,166,200	6,268,600	6,266,200	6,168,600	6,166,200
Debt Service		891,000	891,000		
Capital Outlay	70,800	70,800	70,800	70,800	70,800
TOTAL EXPENDITURES	95,437,200	113,372,300	115,719,600	102,865,800	103,582,000
EXPENDITURES BY FUND SOURCE					
General Fund	19,083,000	36,990,800	39,338,100	23,905,900	24,617,500
Restricted Funds	76,354,200	76,381,500	76,381,500	78,959,900	78,964,500
TOTAL EXPENDITURES	95,437,200	113,372,300	115,719,600	102,865,800	103,582,000
EXPENDITURES BY UNIT					
Field Services and Cemeteries	6,747,600	8,162,400	8,316,100	7,518,800	7,604,300
Kentucky Veterans' Centers	88,689,600	105,209,900	107,403,500	95,347,000	95,977,700
TOTAL EXPENDITURES	95,437,200	113,372,300	115,719,600	102,865,800	103,582,000

The Kentucky Department of Veterans' Affairs (KDVA), established by KRS 40.300, assists over 370,000 Kentucky veterans and their families in applying for federal, state, and local veteran's benefits. Services include: benefits counseling and claims processing regarding the existence or availability of educational, training, and retraining facilities; health, medical rehabilitation, and housing services and facilities; employment and reemployment services; and provision of services under federal, state, and local laws affording rights, privileges, and benefits to eligible veterans and their dependents. These services are supported by a cooperative network of veterans' benefits field representatives, volunteers, and personal service contracts with major veterans' organizations.

Pursuant to KRS 40.325, the Office of Kentucky Veterans' Centers within the KDVA currently manages Kentucky's four state veterans' nursing homes, which serve the long-term nursing care needs of Kentucky's elderly veteran population, which includes about 110,000 of Kentucky's veterans.

The Thomson-Hood Veterans' Center, located in Wilmore in Jessamine County, is a 285-bed long-term nursing care facility specifically for Kentucky's elderly veteran population. The Eastern Kentucky Veterans' Center is a 120-bed facility located in Hazard (Perry County). The Western Kentucky Veterans' Center is a 120-bed facility in Hanson (Hopkins County). Both facilities opened in 2002 and include in-house physician care, nurse practitioners, 24-hour nursing staff, and staffing for a rehab therapy department, barbershop, library, gift shop, laundry facility, and a dietary department.

In April 2013, KDVA opened a 36-bed expansion at the Western Kentucky Veterans' Center that utilizes the new "Community Living Concept" recently required by the federal Veterans' Administration. Three 12-bed buildings will provide a more personalized care for its residents. In July 2017, a fourth 120-bed Veterans' Center, in Hardin County, opened utilizing the "Community Living Concept."

The KDVA is required by KRS 40.315 to establish and maintain Kentucky state veterans' cemeteries. The Kentucky Veterans' Cemetery-West is located on Highway 41A south of Hopkinsville. The Veterans' Cemetery-Central in Ft. Knox opened in June 2007. The Veterans' Cemetery-North near Williamstown opened in early fiscal year 2009. The Veterans' Cemetery-Northeast in Greenup County opened in the fall of 2010. Each facility includes an administration building, a maintenance building with service area, committal facility, a columbarium, appropriate parking, road network, walking path

and landscaping. The Veterans Cemetery-Southeast in Leslie County is under construction and scheduled to be fully staffed and operational in calendar year 2018.

KRS 40.600 established the Women Veterans Program to ensure Kentucky women veterans have equitable access to federal and state veterans' services and benefits. KRS 40.350 established the Wounded or Disabled Veterans Program to assist wounded or disabled veterans in the transition from active service and ensure they receive the federal, state and private benefits to which they are entitled as wounded or disabled veterans.

General Government
Governor's Office of Agricultural Policy

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Tobacco Fund					
Tobacco Settlement - Phase I	28,450,200	28,450,200	28,450,200	40,553,300	38,379,300
Current Year Appropriation	4,000,000				
Continuing Approp-Tob Settlement	35,811,500	18,996,200	14,981,500	18,766,200	14,714,900
Total Tobacco Fund	68,261,700	47,446,400	43,431,700	59,319,500	53,094,200
Restricted Funds					
Balance Forward	385,000	395,000	305,000	395,000	305,000
Current Receipts	110,000	10,000	10,000	10,000	10,000
Total Restricted Funds	495,000	405,000	315,000	405,000	315,000
TOTAL SOURCE OF FUNDS	68,756,700	47,851,400	43,746,700	59,724,500	53,409,200
EXPENDITURES BY CLASS					
Personnel Costs	1,317,600	1,553,600	1,589,900	1,540,100	1,559,700
Operating Expenses	259,800	259,800	259,800	259,800	259,800
Grants Loans Benefits	48,018,100	31,018,100	31,018,100	42,904,700	44,634,800
TOTAL EXPENDITURES	49,595,500	32,831,500	32,867,800	44,704,600	46,454,300
EXPENDITURES BY FUND SOURCE					
Tobacco Fund	49,495,500	32,731,500	32,767,800	44,604,600	46,354,300
Restricted Funds	100,000	100,000	100,000	100,000	100,000
TOTAL EXPENDITURES	49,595,500	32,831,500	32,867,800	44,704,600	46,454,300
EXPENDITURES BY UNIT					
Governor's Office of Agricultural Policy	49,595,500	32,831,500	32,867,800	44,704,600	46,454,300
TOTAL EXPENDITURES	49,595,500	32,831,500	32,867,800	44,704,600	46,454,300

The Governor's Office of Agricultural Policy (GOAP) is the Governor's direct link to the Commonwealth's agricultural industry. The Kentucky Agricultural Development Board and the Kentucky Agricultural Finance Corporation are staffed by the employees in this Office. The Kentucky Agricultural Development Board hires an Executive Director to carry out the duties of the board, while also serving as the Executive Director of the Kentucky Agricultural Finance Corporation.

The Kentucky Agricultural Development Board, authorized in KRS 248.707, distributes funds received by the Commonwealth from the Tobacco Master Settlement Agreement (Phase I money). The Board invests in innovative proposals that increase net farm income and assists tobacco farmers and tobacco-impacted communities by stimulating markets, finding new ways to add value to existing products, and promoting diversification of Kentucky's agricultural economy.

The Agricultural Development Board has sixteen members, described in KRS 248.707(2). They are the Governor, Commissioner of Agriculture, Secretary of the Cabinet for Economic Development, Director of the University of Kentucky Cooperative Extension Service and President of Kentucky State University, along with eleven members appointed by the Governor to staggered terms. Those appointees include representatives of the Kentucky Farm Bureau, the Kentucky Chamber of Commerce, an attorney, an agricultural lender, and seven active farmers. The Governor serves as Chair and the Commissioner of Agriculture serves as Vice- Chair of the board.

Pursuant to KRS 248.703 half of Kentucky's tobacco settlement receipts are allocated to the Agricultural Development Fund. That amount is further divided between a counties account for county level grants and a state account for investments that have a regional or statewide purpose. From the state account, the General Assembly has appropriated debt service for bonds to support farmland preservation and safe drinking water, water and sewer infrastructure projects, livestock diagnostic lab design and construction, improvements to 4-H camps and FFA Leadership Center, and funding for land conservation programs. A portion of funds received into the Agriculture Development Fund are allocated for projects at the county level. The specific funding level of a county is dependent upon its tobacco-production dependency in relation to other counties within the state as described in KRS 248.703(3). One hundred and eighteen of Kentucky's 120 counties receive a portion of county allocation. Each county has a council of local agriculture leaders who consider applications for grants from the county's share of funds and prioritizes them for the Agricultural Development Board,

which has the final grant authority for each county's funds. The Board has developed several programs in which counties may participate. Funds are provided as matching grants.

In addition to their work with the Kentucky Agricultural Development Fund, personnel at GOAP provide staffing for the Kentucky Agricultural Finance Corporation. The Kentucky Agricultural Finance Corporation is a de jure municipal corporation created in KRS 247.944 to provide access to capital for farmers and other agricultural enterprises. The mission of the Corporation board is to strengthen Kentucky agriculture by providing access to low interest loan programs through joint partnerships with local lending institutions. K AFC assists beginning farmers, farm families, and agribusinesses obtain the necessary capital to establish, maintain, or expand their agricultural operation. The Commissioner of the Kentucky Department of Agriculture serves as the Chair and the Secretary of the Finance Cabinet serves as another statutory member. The Governor appoints the remaining ten board members who represent various agricultural sectors.

General Government
Kentucky Infrastructure Authority

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,216,900	3,067,900	3,067,900	1,398,800	1,914,800
Budget Reduction-General Fund	-62,300				
Total General Fund	1,154,600	3,067,900	3,067,900	1,398,800	1,914,800
Restricted Funds					
Balance Forward	112,627				54,800
Current Receipts	53,219,573	46,915,600	46,956,200	46,615,600	51,746,200
Total Restricted Funds	53,332,200	46,915,600	46,956,200	46,615,600	51,801,000
Federal Fund					
Current Receipts	29,381,900	29,381,900	29,381,900	29,381,900	29,381,900
Total Federal Fund	29,381,900	29,381,900	29,381,900	29,381,900	29,381,900
TOTAL SOURCE OF FUNDS	83,868,700	79,365,400	79,406,000	77,396,300	83,097,700
EXPENDITURES BY CLASS					
Personnel Costs	2,612,200	3,252,300	3,292,900	2,816,700	2,834,800
Operating Expenses	161,000	156,500	156,500	161,200	161,200
Grants Loans Benefits	28,964,300	29,090,600	29,090,600	29,090,600	29,090,600
Debt Service	52,131,200	46,866,000	46,866,000	45,273,000	50,879,000
TOTAL EXPENDITURES	83,868,700	79,365,400	79,406,000	77,341,500	82,965,600
EXPENDITURES BY FUND SOURCE					
General Fund	1,154,600	3,067,900	3,067,900	1,398,800	1,914,800
Restricted Funds	53,332,200	46,915,600	46,956,200	46,560,800	51,668,900
Federal Fund	29,381,900	29,381,900	29,381,900	29,381,900	29,381,900
TOTAL EXPENDITURES	83,868,700	79,365,400	79,406,000	77,341,500	82,965,600
EXPENDITURES BY UNIT					
Kentucky Infrastructure Authority	83,868,700	79,365,400	79,406,000	77,341,500	82,965,600
TOTAL EXPENDITURES	83,868,700	79,365,400	79,406,000	77,341,500	82,965,600

The Kentucky Infrastructure Authority (KIA) pursuant to KRS Chapter 224A funds the acquisition and construction of infrastructure projects as defined in KRS 224A.011(16) and the remediation of property owned by governmental agencies. The Authority also coordinates regional infrastructure planning to promote higher levels of technical, managerial and financial capacity of water based utilities. The Authority with the assistance of the Area Development Districts coordinates water and wastewater planning by the Area Water Management Councils. The Councils establish water planning areas, develop and maintain the regional water management plan and identify and prioritize water and wastewater projects. The Authority is administratively attached to the Department for Local Government.

The agency is authorized to issue notes and bonds to provide infrastructure financing for governmental agencies and to a limited extent investor-owned private utilities. The provisions of KRS 224A.165 dictate certain limits on the amount of notes and bonds the Authority can have outstanding. The purpose of the loans is to assist in financing the construction of infrastructure projects. The Authority also provides grants and subsidized loan incentives.

The following provides a description of the Authority's programs:

Fund A Wastewater Revolving Loan Program – Local wastewater treatment facilities that qualify under the U.S. Environmental Protection Agency (EPA) standards are financed through this program. Jointly administered by the Authority and the Kentucky Division of Water in the Energy and Environment Cabinet, loans are provided to governmental agencies at below-market interest rates.

Fund B Revolving Loan/Grant Program – Loans are made to governmental entities that are unable to wholly finance a project through other public grant or loan programs, through commercial credit at reasonable rates, or from their own resources. The loans are offered at or below market interest rates for a term not to exceed 30 years. Grants are available, but are reserved for borrowers facing both a financial hardship and an extreme health hazard.

Fund B 2020 Program – This fund provides financing primarily for, but not limited to, water service projects. The fund promotes the merger and consolidation of systems, and encourages the increased financial, managerial, and technical capacity of systems to provide service.

Fund C Governmental Agencies Program – This program provides local governmental agencies access to funding at better terms than could be obtained on an independent basis. Loans are available at terms of up to thirty years for any eligible infrastructure project owned by governmental entities in the Commonwealth. The loans may be used to fund totally a construction project or they can be used to supplement grants or cash contributions.

Fund F Drinking Water Revolving Loan Fund – This fund was established to assist in financing local drinking water treatment and distribution facilities that qualify under EPA requirements. Projects must be recommended by the Kentucky Division of Water in the Energy and Environment Cabinet from the Project Priority List and must be financially feasible as determined by KIA staff.

Coal Development and Tobacco Development Funds – These funds were created by the 2003 Regular Session of the General Assembly to support various water and sewer projects in Coal Producing and Tobacco Producing Counties. The Authority coordinates the process of implementation and provides project administration for the projects funded in these programs.

Infrastructure for Economic Development Funds – These funds were authorized by the 2005, 2006 and 2008 General Assembly for an array of water and sewer projects included in the Commonwealth budget by specific designation. The Authority coordinates the implementation process and provides project administration for the projects funded in these programs.

Local Government Economic Development Fund – (Coal Severance Tax Projects) – These funds were authorized by the 2008, 2010 and 2012 General Assembly from the respective single county fund for projects in coal-producing counties. The Authority coordinates the process of implementation and provides project administration for the water and sewer related projects funded in this program. The program is administered jointly with the Department for Local Government.

Policy

Included in the General Fund appropriation is \$146,000 in fiscal year 2018-2019 and \$438,000 in fiscal year 2019-2020 for debt service to support \$6,802,000 in bonds to match an estimated \$34,010,000 in Federal Funds for the Federally Assisted Wastewater Revolving Loan Fund program (Fund A).

Included in the General Fund appropriation is \$112,000 in fiscal year 2018-2019 and \$336,000 in fiscal year 2019-2020 for debt service to support \$5,176,000 in bonds to match an estimated \$25,882,000 in Federal Funds for the Safe Drinking Water State Revolving Loan Fund program (Fund F).

Included in the capital budget is authorization for the Kentucky Infrastructure Authority to expend loan repayment receipts on deposit at the trustee bank to support Agency Leverage Bonds for the Wastewater Revolving Loan program (Fund A) and the Safe Drinking Water Revolving Loan program (Fund F).

General Government
Military Affairs

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	9,912,800	13,060,300	13,324,600	15,036,400	15,256,400
Mandated Allotments	3,370,000				
Total General Fund	13,282,800	13,060,300	13,324,600	15,036,400	15,256,400
Restricted Funds					
Balance Forward	24,467,900	25,342,000	25,814,400	24,826,500	24,317,300
Current Receipts	33,654,200	50,482,400	50,850,100	40,211,200	40,432,100
Non-Revenue Receipts	534,700	-1,822,000	-1,264,900	-2,314,800	-921,000
Fund Transfers	-515,500				
Total Restricted Funds	58,141,300	74,002,400	75,399,600	62,722,900	63,828,400
Federal Fund					
Balance Forward					611,500
Current Receipts	83,707,100	61,449,000	61,961,900	46,627,200	47,041,900
Total Federal Fund	83,707,100	61,449,000	61,961,900	46,627,200	47,653,400
TOTAL SOURCE OF FUNDS	155,131,200	148,511,700	150,686,100	124,386,500	126,738,200
EXPENDITURES BY CLASS					
Personnel Costs	40,971,700	48,306,000	49,390,000	48,404,100	48,985,300
Operating Expenses	32,036,800	55,876,800	55,944,800	34,028,100	34,128,000
Grants Loans Benefits	50,837,800	7,895,500	7,895,500	7,895,500	7,895,500
Debt Service	1,740,000	1,740,000	1,740,000	1,751,000	1,841,000
Capital Outlay	4,718,400	8,879,000	8,879,000	7,379,000	7,379,000
TOTAL EXPENDITURES	130,304,700	122,697,300	123,849,300	99,457,700	100,228,800
EXPENDITURES BY FUND SOURCE					
General Fund	13,282,800	13,060,300	13,324,600	15,036,400	15,256,400
Restricted Funds	33,314,800	48,188,000	48,562,800	38,405,600	38,642,500
Federal Fund	83,707,100	61,449,000	61,961,900	46,015,700	46,329,900
TOTAL EXPENDITURES	130,304,700	122,697,300	123,849,300	99,457,700	100,228,800
EXPENDITURES BY UNIT					
Statutory State Operations	31,853,900	50,601,600	51,069,500	33,538,300	33,849,800
Emergency Management	59,070,300	17,187,700	17,365,100	16,977,800	17,072,700
National Guard Operations	183,000	383,000	383,000	182,600	272,600
Emergency & Public Safety Operations	370,000			4,500,000	4,500,000
Bluegrass Station	13,487,100	16,413,100	16,474,700	16,378,500	16,415,800
Central Clothing Distribution	16,723,900	28,626,100	28,932,200	18,529,900	18,693,800
Federal & Grant Operations	8,616,500	9,485,800	9,624,800	9,350,600	9,424,100
TOTAL EXPENDITURES	130,304,700	122,697,300	123,849,300	99,457,700	100,228,800

The Department of Military Affairs is responsible for all military matters and disaster and emergency service coordination in the Commonwealth. The Governor is constitutional Commander-in-Chief of the Kentucky National Guard and appoints the Adjutant General. The Adjutant General commands the Kentucky National Guard and directs and coordinates all programs in the Department.

Units of the Kentucky National Guard may be called to duty by the Governor in the event of civil strife or disorder or the occurrence of natural or man-made disasters. The Department has the responsibility for organizing, equipping, training, and housing these units.

The Department consists of the following organizational units: The Division of Emergency Management; the Office of Kentucky Community Crisis Response; and the Office of Management and Administration, which contains the Division of Administrative Services, Division of Facilities, Logistics Operations Division, Bluegrass Station Division, and the Youth Challenge Program.

The Division of Emergency Management is responsible for all aspects of emergency management including planning, assessment, mitigation, response, and recovery in the Commonwealth. The Division works with local emergency management programs to maintain a coordinated program and operates field offices across the state. The Emergency Operations Center in Frankfort is the hub for coordination during an emergency and is operated by the Division. The Center operates on a twenty-four hour basis and serves as a warning point, communications and command center.

The Kentucky Community Crisis Response Board oversees the delivery of crisis response services including consultation, risk assessment, referral, and on site crisis intervention services to persons impacted by an emergency or disaster.

The Division of Facilities is responsible for maintaining nearly 50 armories across the state as well as the facilities at Wendell H. Ford Regional Training Center in Muhlenberg County, the Emergency Operations Center in Frankfort, and various other facilities statewide.

The Department also operates Bluegrass Station in Fayette County, formerly the AVON Army Depot. The property was acquired by the Commonwealth in 1989 under the Base Re-alignment and Closure Act. This 780 acre facility includes more than 2.4 million square feet and houses 28 tenants that employ over 2,800 Kentuckians. Estimated economic impact of Bluegrass Station exceeds \$248,000,000 per fiscal year. Bluegrass Station is also home to the Logistic Operations Division's Central Clothing Distribution Facility which employs over 200 employees that are responsible for the complete supply chain management and logistics for clothing to all military units of the Army National Guard, Air National Guard, U.S. Marine Corps Reserve and the U.S. Navy Reserve.

The Youth Challenge Program is a 22-week residential development and training program for youth between 16 – 18 years of age who are high school dropouts, drug-free, unemployed and free of serious involvement in the criminal justice system. The program is operated by the Kentucky National Guard and is located in Hardin and Harlan Counties.

Policy

The Executive Budget includes General Fund debt service in the amount of \$11,000 in fiscal year 2018-2019 and \$101,000 in fiscal year 2019-2020 for debt service on new bonds included in the capital budget.

The Executive Budget includes Restricted Funds in the amount of \$2,612,300 in fiscal year 2018-2019 and \$2,624,300 in fiscal year 2019-2020 to fund new operating costs at Bluegrass Station.

The Executive Budget includes additional General Fund in the amount of \$4,500,000 in each fiscal year for Emergency and Public Safety costs that were previously considered a necessary government expense. Expenses that exceed this amount will be considered a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

**General Government
Commission on Human Rights**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,781,800	2,432,000	2,533,700	1,348,900	1,479,700
Budget Reduction-General Fund	-91,300				
Total General Fund	1,690,500	2,432,000	2,533,700	1,348,900	1,479,700
Restricted Funds					
Balance Forward	3,400				
Current Receipts	6,600	10,000	10,000	10,000	10,000
Total Restricted Funds	10,000	10,000	10,000	10,000	10,000
Federal Fund					
Balance Forward	10,700			10,700	10,700
Current Receipts	245,000	245,000	245,000	245,000	245,000
Total Federal Fund	255,700	245,000	245,000	255,700	255,700
TOTAL SOURCE OF FUNDS	1,956,200	2,687,000	2,788,700	1,614,600	1,745,400
EXPENDITURES BY CLASS					
Personnel Costs	1,699,500	2,440,900	2,542,600	1,434,700	1,565,500
Operating Expenses	246,000	246,100	246,100	169,200	169,200
TOTAL EXPENDITURES	1,945,500	2,687,000	2,788,700	1,603,900	1,734,700
EXPENDITURES BY FUND SOURCE					
General Fund	1,690,500	2,432,000	2,533,700	1,348,900	1,479,700
Restricted Funds	10,000	10,000	10,000	10,000	10,000
Federal Fund	245,000	245,000	245,000	245,000	245,000
TOTAL EXPENDITURES	1,945,500	2,687,000	2,788,700	1,603,900	1,734,700
EXPENDITURES BY UNIT					
General Administration and Support	747,400	969,000	1,001,100	548,400	586,600
Enforcement Branch	388,400	643,000	672,600	373,100	405,800
Research and Information	365,100	490,300	510,100	276,500	302,800
Legal Affairs	444,600	584,700	604,900	405,900	439,500
TOTAL EXPENDITURES	1,945,500	2,687,000	2,788,700	1,603,900	1,734,700

The Kentucky Commission on Human Rights is the sole state civil rights enforcement agency in Kentucky, and is charged to "...safeguard all individuals within the state from discrimination." Pursuant to KRS Chapter 344, the Commission investigates, litigates, and administratively decides complaints of discrimination in the areas of employment, public accommodation, housing, and credit based on race, religion, national origin, age, disability, sex, smoking in employment, and familial status for housing decisions. The Commission has four service units: General Administration and Support, Enforcement, Research and Information, and Legal Affairs.

General Administration and Support performs personnel and fiscal activities and serves as a liaison with the Governor's Office, legislators, and other agencies in state government. This unit is responsible for development of internal policy directives and legislative initiatives.

The Enforcement Branch consists of two sections: Employment/Public Accommodations and Housing. Employees assigned to these sections receive, investigate, and conciliate complaints of discrimination in the areas of employment, public accommodation, credit transactions, and housing.

The Research and Information Branch provides technical assistance and education to local citizen groups, employers, public accommodations staff, educational institutions, local human rights commissions, and government officials. The staff conducts seminars and workshops on sexual harassment, the Kentucky Civil Rights Act, cultural diversity, and the Americans with Disabilities Act.

The Legal Affairs Branch litigates discrimination cases before administrative hearing officers, provides legal advice to inquiries, sworn complaints, and file closures. The legal staff takes depositions of witnesses, prepares legal briefs and appeals, and serves as in-house counsel.

**General Government
Commission on Women**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	237,400	268,600	273,700		
Budget Reduction-General Fund	-12,200				
Total General Fund	225,200	268,600	273,700		
TOTAL SOURCE OF FUNDS	225,200	268,600	273,700		
EXPENDITURES BY CLASS					
Personnel Costs	198,800	242,200	247,300		
Operating Expenses	26,400	26,400	26,400		
TOTAL EXPENDITURES	225,200	268,600	273,700		
EXPENDITURES BY FUND SOURCE					
General Fund	225,200	268,600	273,700		
TOTAL EXPENDITURES	225,200	268,600	273,700		
EXPENDITURES BY UNIT					
Commission on Women	225,200	268,600	273,700		
TOTAL EXPENDITURES	225,200	268,600	273,700		

The Kentucky Commission on Women (KCW), authorized in KRS 344.510, consults with and advises the Governor and the agencies, department, boards and commissions of the state and local and municipal governments on matters pertaining to, and of interest to women. The KCW promotes, encourages, and provides advisory assistance in the establishment of local volunteer community improvement programs for, and of interest to women. The KCW conducts programs, studies, seminars, and conferences, and encourages state and local women's business, professional, and civic organizations to do likewise, to educate the public to the problems of women. The KCW cooperates with the federal government and with the governments of other states in programs relating to women.

The KCW maintains and provides a clearinghouse for information and referrals on a variety of issues affecting women, and may serve as a resource for the executive branch on various legislative matters pertaining to women.

The KCW maintains the watercolor Kentucky Women Remembered Exhibit in the West Wing of the Capitol. The KCW staff coordinates statewide collaborative efforts, such as the Women's Leadership Council and the Kentucky Women's Health Coalition, in order to communicate to the executive branch the challenges and resources that exist for Kentucky women.

Policy

Notwithstanding KRS 344.510-30, the Executive Budget provides no funding for the Commission on Women.

General Government
Department for Local Government

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	15,705,300	17,739,200	17,894,600	16,907,400	17,026,700
Budget Reduction-General Fund	-804,500				
Total General Fund	14,900,800	17,739,200	17,894,600	16,907,400	17,026,700
Restricted Funds					
Balance Forward	2,258,400	2,118,400	1,978,400	2,118,500	2,022,100
Current Receipts	742,500	791,800	799,400	791,800	791,800
Total Restricted Funds	3,000,900	2,910,200	2,777,800	2,910,300	2,813,900
Federal Fund					
Balance Forward	267,000	387,700	387,700	387,700	397,000
Current Receipts	28,353,800	28,420,600	28,452,900	28,420,600	28,421,900
Non-Revenue Receipts	1,300,000			1,300,000	1,300,000
Fund Transfers		1,300,000	1,300,000		
Total Federal Fund	29,920,800	30,108,300	30,140,600	30,108,300	30,118,900
TOTAL SOURCE OF FUNDS	47,822,500	50,757,700	50,813,000	49,926,000	49,959,500
EXPENDITURES BY CLASS					
Personnel Costs	6,177,700	7,148,900	7,302,500	6,249,600	6,345,600
Operating Expenses	706,100	2,005,700	2,047,400	2,020,300	2,060,300
Grants Loans Benefits	38,432,500	39,237,000	39,237,000	39,237,000	39,237,000
TOTAL EXPENDITURES	45,316,300	48,391,600	48,586,900	47,506,900	47,642,900
EXPENDITURES BY FUND SOURCE					
General Fund	14,900,800	17,739,200	17,894,600	16,907,400	17,026,700
Restricted Funds	882,400	931,800	939,400	888,200	888,700
Federal Fund	29,533,100	29,720,600	29,752,900	29,711,300	29,727,500
TOTAL EXPENDITURES	45,316,300	48,391,600	48,586,900	47,506,900	47,642,900
EXPENDITURES BY UNIT					
Operations	12,722,900	15,610,500	15,773,500	14,735,300	14,855,100
Grants	32,593,400	32,781,100	32,813,400	32,771,600	32,787,800
TOTAL EXPENDITURES	45,316,300	48,391,600	48,586,900	47,506,900	47,642,900

The Department for Local Government (DLG), pursuant to KRS 147A.002, is an independent agency attached to the Office of the Governor. As the liaison between the Governor and local units of government, DLG coordinates and resolves local government issues and concerns. The Department administers grants-in-aid, and serves as the cognizant state agency for Kentucky's fifteen Area Development Districts.

The Commissioner's Office formulates policy that governs programs administered by the Department. The office also serves as a liaison with state and federal agencies that deal with each of the Kentucky's 120 counties, 420 cities, 1500 special districts and the 15 Area Development Districts. The Trover Grant which brings University of Louisville medical students to the Western Kentucky Coal Fields for a portion of their residency is administered by the Commissioner's Office.

The Federal Grants Office administers the Community Development Block Grant program for small cities, the Neighborhood Stabilization program, the Land and Water Conservation Fund and the Kentucky Recreational Trails program. Moreover, the Office develops and conducts training programs for local governments across the Commonwealth in conjunction with other governmental agencies, associations and the Area Development Districts. It maintains the Commonwealth's Clearinghouse for all federal grants and administers the Joint Funding Agreement and Appalachian Regional Commission grants.

The Flood Control program also is administered by the Federal Grants Office. In partnership with federal and local agencies, the matching program lessens flood damage losses by providing structural and nonstructural assistance to Kentucky communities. The Fund ensures that matching funds required by the U.S. Army Corp of Engineers, Federal

Emergency Management Agency, and Natural Resources Conservation Service are available for vital projects. The program provides matching dollars for federal grants for straight sewage pipe removal projects funded by the Personal Responsibility in a Desirable Environment program.

The Field Services Office makes state government more accessible to citizens of the Commonwealth. Field service representatives travel throughout the Commonwealth of Kentucky and answer citizens' questions, resolve problems, and aid local government officials with their government duties.

The Office of Financial Management and Administrative Services provides agency administrative support. It has responsibility for personnel administration, payroll, purchasing, library management, accounting, and budgeting for the entire agency. The Office provides information technology support for the Department and to local government units.

The Office of State Grants promotes economic development in Kentucky's localities. It is responsible for financial management, accounting, and fund allocation and reporting of the Local Government Economic Development Fund (LGEDF) which contains the Local Government Economic Development Program (LGEDP) and the Local Government Economic Assistance Fund (LGEAF) The agency also reviews and approves LGEDF statutory grant applications. In addition, the Office of State Grants oversees additional programs assigned by the General Assembly through the budget and as requested by other State agencies.

Policy

The Executive Budget includes General Fund of \$200,000 in each fiscal year for administrative support of the shaping Our Appalachian Region (SOAR) initiative.

General Government					
Local Government Economic Assistance Fund					
	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	31,746,400	23,183,500	22,680,800	26,257,600	22,825,700
Total General Fund	31,746,400	23,183,500	22,680,800	26,257,600	22,825,700
TOTAL SOURCE OF FUNDS	31,746,400	23,183,500	22,680,800	26,257,600	22,825,700
EXPENDITURES BY CLASS					
Grants Loans Benefits	31,746,400	23,183,500	22,680,800	26,257,600	22,825,700
TOTAL EXPENDITURES	31,746,400	23,183,500	22,680,800	26,257,600	22,825,700
EXPENDITURES BY FUND SOURCE					
General Fund	31,746,400	23,183,500	22,680,800	26,257,600	22,825,700
TOTAL EXPENDITURES	31,746,400	23,183,500	22,680,800	26,257,600	22,825,700
EXPENDITURES BY UNIT					
County Coal Severance	14,823,700	7,537,100	5,785,300	11,771,600	10,235,400
Cities Coal Severance	1,526,500	837,500	642,800	1,306,700	1,135,700
County Mineral Severance	13,856,600	13,328,000	14,627,400	11,861,400	10,309,100
Cities Mineral Severance	1,539,600	1,480,900	1,625,300	1,317,900	1,145,500
TOTAL EXPENDITURES	31,746,400	23,183,500	22,680,800	26,257,600	22,825,700

The Local Government Economic Assistance Fund (LGEAF) in KRS 42.450-42.495 is a revenue sharing program that was created by the 1980 Regular Session of the General Assembly to return a portion of the coal and minerals severance taxes to local governments in areas where the minerals were extracted. These funds are used by those communities to strengthen and “to improve the environment for new industry and to improve the quality of life of the residents.” Counties that contain industries involved in the production of coal or minerals such as natural gas, oil, and stone and incorporated cities within those counties are eligible to receive LGEAF payments. Likewise, counties and their cities affected by the transportation of coal are eligible to receive a portion of the returned severance taxes.

The LGEAF coal severance tax program currently returns funds to an estimated 60 counties and approximately 248 cities at the end of each fiscal quarter. The Kentucky statute that directs 15 percent of the coal severance tax receipts to the LGEAF for distribution to local governments has been replaced for the 2016-18 budget with a 50 percent share of net coal severance tax receipts. Quarterly allocations are made to localities according to such criteria as population, income, the amount and distance coal is transported over local areas, and taxes collected from the county.

Additionally, the LGEAF minerals severance tax program currently returns funds to an estimated 102 counties and approximately 359 cities at the end of each fiscal quarter. Kentucky law directs 50 percent of the other mineral tax receipts (oil, natural gas, other minerals) to the LGEAF for distribution to local governments. Quarterly allocations are made to localities according to such criteria as population, income, the amount and distance coal is transported over local areas, and taxes collected from the county.

KRS 42.455(2)(3)(4) governs the allowable uses of LGEAF funds and specifically prohibits the expenditure of LGEAF for the expenses related to the administration of government. Coal “impact” counties must expend 100 percent of funds in the transportation category in accordance with KRS 42.470(1)(c). Thirty percent of all funds given to coal “producer” counties must be expended on the county coal haul road system. Expenditure of the remaining 70 percent given to coal “producers” and 100 percent of non-coal mineral severance producing funds must be directly related to the remaining priority categories:

- Public safety, including law enforcement, fire protection, ambulance service and other related services,
- Environmental protection, including sewage disposal, sanitation, solid waste and other related programs,
- Public transportation, including mass transit systems, streets and roads,
- Health,
- Recreation,
- Libraries and educational facilities,
- Services for the poor, aged, and handicapped,
- Industrial and economic development,
- Vocational education; and
- Workforce.

Policy

The Executive Budget changes the statutory scheme for sharing coal severance tax revenues with local governments by providing 50 percent of the net severance and processing taxes on coal from the General Fund to the Local Government Economic Assistance Fund. Before the 50 percent allocation is made, a number of specified uses of General Fund coal severance tax revenues are outlined.

Over the biennium, no transfers shall be made to the Local Government Economic Development Fund established by KRS 42.4582.

The accompanying chart illustrates the policy described below.

Off-the-Top Funding Items: funds are provided for eight specified uses from General Fund coal severance tax revenues before the remaining amount is shared 50/50 between local governments and the Commonwealth, many resulting from the suspension of KRS 42.450 to 42.495:

- (1) Osteopathic Medicine Scholarship program, to the Kentucky Higher Education Assistance Authority, \$326,000 in each fiscal year, pursuant to KRS 164.7891
- (2) Pharmacy Scholarship program, to the Kentucky Higher Education Assistance Authority: \$580,000 in fiscal year, pursuant to KRS 164.7890;
- (3) Operation Unite grant, through the Secretary of the Justice and Public Safety Cabinet: \$2,000,000 each fiscal year;
- (4) Shaping Our Appalachian Region (SOAR) administrative cost grant, through the Department for Local Government: \$200,000 each fiscal year;
- (5) Kentucky Infrastructure Authority for LGEDF administrative support: \$370,000 each fiscal year;
- (6) Department for Local Government for LGEDF administrative support: \$669,700 each fiscal year;
- (7) Debt Service to the Finance and Administration Cabinet equating to 25 percent of the debt service needed in each fiscal year to support bonds authorized in the 2003, 2005, 2006, 2008, 2010 sessions of the General Assembly;
- (8) A reservation of \$4,000,000 within the General Fund in each fiscal year, half of which is allocated to both the LGEAF (\$600,000 each fiscal year) and the LGEDF (\$1,400,000 each fiscal year).

Prior to any distributions to local governments from the LGEAF, debt service in the amount of \$21,716,300 in fiscal year 2018-2019 and \$20,592,500 in fiscal year 2019-2020 are provided to the Finance and Administration Cabinet's Debt Service appropriation unit. These amounts represent 75 percent of the debt service needed in each fiscal year for prior bond authorizations from the 2003, 2005, 2006, 2008, and 2010 sessions of the General Assembly. Further, any amounts allowed as an incentive to an approved company under KRS 143.024 and 154.27-060 shall be deducted prior to any distributions to local governments from the LGEAF.

General Government					
Local Government Economic Development Fund					
	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	11,400,000	19,540,700	14,998,900	16,400,000	16,400,000
Total General Fund	11,400,000	19,540,700	14,998,900	16,400,000	16,400,000
TOTAL SOURCE OF FUNDS	11,400,000	19,540,700	14,998,900	16,400,000	16,400,000
EXPENDITURES BY CLASS					
Grants Loans Benefits	11,400,000	19,540,700	14,998,900	16,400,000	16,400,000
TOTAL EXPENDITURES	11,400,000	19,540,700	14,998,900	16,400,000	16,400,000
EXPENDITURES BY FUND SOURCE					
General Fund	11,400,000	19,540,700	14,998,900	16,400,000	16,400,000
TOTAL EXPENDITURES	11,400,000	19,540,700	14,998,900	16,400,000	16,400,000
EXPENDITURES BY UNIT					
Economic Development Fund	11,400,000	19,540,700	14,998,900	16,400,000	16,400,000
TOTAL EXPENDITURES	11,400,000	19,540,700	14,998,900	16,400,000	16,400,000

The Local Government Economic Development Fund (LGEDF) is a revenue-sharing program that was created by the 1992 General Assembly to provide coal-producing counties with a means to diversify their economies. The governing statutes that have directed specific percentage shares of General Fund coal severance tax revenues to coal-producing counties has been suspended in the 2016-2018 budget. Most of the coal severance tax revenues that are shared with Kentucky's local governments during the 2016-2018 biennium are through the Local Government Economic Assistance Fund. The Executive Budget provides \$16,400,000 in net General Fund coal severance tax revenues to the LGEDF in fiscal 2018-2019 and 16,400,000 in fiscal year 2019-2020.

Policy

The Executive Budget directs that no transfers be made to the LGEDF in accordance with KRS 42.4582. Instead, \$16,400,000 in a sum-specific amount is appropriated each fiscal year to the LGEDF. These funds will be transferred to the LGEDF Single-County accounts to be allocated to projects with the concurrence of the respective county judge/executive, state senator(s), and state representative(s) of each county. In the event concurrence is not achieved, the fiscal court of each county may apply for grants through the Department for Local Government pursuant to KRS 42.4588. Currently, 35 counties receive allocations to their Single-County account.

The Kentucky Coal Fields Endowment Fund is to be used to support efforts to diversify the economy of the coal fields. The Department for Local Government will establish administrative regulations to administer the program. Projects funded from the Fund shall be non-recurring investments in the following areas: economic development, public infrastructure, water and wastewater; public health and safety, and information technology development and access. Projects will be selected based on economic impact, job creation, workforce development, community benefit, available partnerships, project readiness, and the ability for a project to be self-sustaining.

Severance Tax Dedicated Programs 2018-2020 Biennium
Using Consensus Forecast Estimate

	FY 2018 Revised	FY 2019 Estimate	FY 2020 Estimate
Coal Severance Tax Resources			
Coal Severance Tax	90,676,100	79,986,800	68,188,000
<i>Less: Osteopathic Medicine Scholarship Program (KRS 164.7891)</i>	(326,000)	(326,000)	(326,000)
<i>Less: Pharmacy Scholarships (KRS 164.7890)</i>	(580,000)	(580,000)	(580,000)
<i>Less: Trover Clinic Grant</i>	(910,000)		
<i>Less: Robinson Scholars Program (UK)</i>	(1,000,000)		
<i>Less: Mining Engineering Scholarship Program (UK)</i>	(300,000)		
<i>Less: Operation Unite</i>	(2,000,000)	(2,000,000)	(2,000,000)
<i>Less: SOAR Administrative Costs (DLG)</i>	(200,000)	(200,000)	(200,000)
<i>Less: KIA LGEDF Admin cost</i>	(370,000)	(370,000)	(370,000)
<i>Less: DLG LGEDF Admin cost</i>	(669,700)	(669,700)	(669,700)
<i>Less: Save the Children (Education)</i>	(500,000)		
<i>Less: Debt Service</i>	(7,352,300)	(7,238,800)	(6,864,200)
<i>Less: Reservation of Additional Coal Severance Revenues</i>	(4,000,000)	(4,000,000)	(4,000,000)
Total coal severance tax resources to be distributed	72,468,100	64,602,300	53,178,100

Local Government Economic Assistance Fund (LGEAF) Total Funds			
Coal Severance Tax Revenue (50% of Revenue)	36,234,100	32,301,200	26,589,100
Other Mineral Severance Tax Revenue (50% of Revenue)	16,319,700	15,072,700	16,229,100
<i>Less: Debt Service (Past Bond Appropriations)</i>	(22,057,000)	(21,716,300)	(20,592,500)
<i>Plus: Additional Coal Severance Revenues</i>	600,000	600,000	600,000
Total LGEAF enacted	31,746,400	26,257,600	22,825,700

Local Government Economic Development Fund (LGEDF)			
Coal Severance	22,500,000	22,500,000	22,500,000
<i>Plus: Additional Coal Severance Revenues</i>	1,400,000	1,400,000	1,400,000
<i>Less: Coal County College Completion Scholarship Program</i>	(5,000,000)		
<i>Less: Kentucky Coal Fields Endowment Fund</i>	(7,500,000)	(7,500,000)	(7,500,000)
Total LGEDF for County Distribution	11,400,000	16,400,000	16,400,000

**General Government
Area Development Fund**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	431,000	431,000	431,000		
Budget Reduction-General Fund	-22,100				
Total General Fund	408,900	431,000	431,000		
TOTAL SOURCE OF FUNDS	408,900	431,000	431,000		
EXPENDITURES BY CLASS					
Grants Loans Benefits	408,900	431,000	431,000		
TOTAL EXPENDITURES	408,900	431,000	431,000		
EXPENDITURES BY FUND SOURCE					
General Fund	408,900	431,000	431,000		
TOTAL EXPENDITURES	408,900	431,000	431,000		
EXPENDITURES BY UNIT					
Area Development Fund	408,900	431,000	431,000		
TOTAL EXPENDITURES	408,900	431,000	431,000		

The Area Development Fund is a revenue sharing program that was created by the 1976 Regular Session of the General Assembly to fund capital projects in accordance with KRS 42.350 (2) in communities within each of the 15 Area Development Districts. The Area Development Districts rank and recommend projects that they consider eligible for funding to the Commissioner of the Department for Local Government.

Policy

The Executive Budget provides no funding for the Area Development Fund program.

**General Government
Executive Branch Ethics Commission**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	450,200	553,500	568,200	1,048,900	1,055,700
Total General Fund	450,200	553,500	568,200	1,048,900	1,055,700
Restricted Funds					
Balance Forward	76,400	62,300	48,200	62,300	48,200
Current Receipts	320,900	320,900	320,900	320,900	320,900
Total Restricted Funds	397,300	383,200	369,100	383,200	369,100
TOTAL SOURCE OF FUNDS	847,500	936,700	937,300	1,432,100	1,424,800
EXPENDITURES BY CLASS					
Personnel Costs	696,900	782,800	798,500	778,200	786,000
Operating Expenses	88,300	105,700	104,700	605,700	604,700
TOTAL EXPENDITURES	785,200	888,500	903,200	1,383,900	1,390,700
EXPENDITURES BY FUND SOURCE					
General Fund	450,200	553,500	568,200	1,048,900	1,055,700
Restricted Funds	335,000	335,000	335,000	335,000	335,000
TOTAL EXPENDITURES	785,200	888,500	903,200	1,383,900	1,390,700
EXPENDITURES BY UNIT					
Executive Branch Ethics Commission	785,200	888,500	903,200	1,383,900	1,390,700
TOTAL EXPENDITURES	785,200	888,500	903,200	1,383,900	1,390,700

In accordance with KRS 11A, the Executive Branch Ethics Commission is responsible for reviewing the personal financial interests of the constitutional officers and management personnel in state government in order to prevent conflicts of interest. Additionally, the Commission issues advisory opinions with regard to ethical conduct, investigates and enforces possible violations of the Code, and provides a registration mechanism for executive agency lobbyists.

Policy

The Executive Budget allows all penalties collected or received by the Executive Branch Ethics Commission to be deposited in the State Treasury and credited to a trust and agency fund account to be used by the Commission for the cost of conducting administrative hearings.

The Executive Budget includes additional funding of \$500,000 each fiscal year to support commission reviews and investigations.

The Executive Budget includes additional funding of \$13,400 in fiscal year 2018-2019 and \$12,400 in fiscal year 2019-2020 for relocation expenses.

Notwithstanding KRS 11A.211(5), the registration fee paid by each employer of one or more executive agency lobbyists upon filing an updated registration statement shall be \$199.

**General Government
Secretary of State**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,784,100	2,188,800	2,251,600	2,204,100	2,252,500
Budget Reduction-General Fund	-22,800				
Total General Fund	1,761,300	2,188,800	2,251,600	2,204,100	2,252,500
Restricted Funds					
Balance Forward	5,969,000	5,057,800	4,917,800	5,057,800	3,565,400
Current Receipts	2,760,500	2,695,600	2,731,300	2,695,600	2,731,300
Fund Transfers	-1,000,000			-1,500,000	-1,500,000
Total Restricted Funds	7,729,500	7,753,400	7,649,100	6,253,400	4,796,700
Federal Fund					
Current Receipts	221,400	221,400	221,400	221,400	221,400
Total Federal Fund	221,400	221,400	221,400	221,400	221,400
TOTAL SOURCE OF FUNDS	9,712,200	10,163,600	10,122,100	8,678,900	7,270,600
EXPENDITURES BY CLASS					
Personnel Costs	3,171,800	3,837,300	3,933,000	3,688,900	3,744,700
Operating Expenses	1,459,800	1,374,500	1,371,100	1,390,600	1,380,400
Capital Outlay	22,800	34,000	30,000	34,000	30,000
TOTAL EXPENDITURES	4,654,400	5,245,800	5,334,100	5,113,500	5,155,100
EXPENDITURES BY FUND SOURCE					
General Fund	1,761,300	2,188,800	2,251,600	2,204,100	2,252,500
Restricted Funds	2,671,700	2,835,600	2,861,100	2,688,000	2,681,200
Federal Fund	221,400	221,400	221,400	221,400	221,400
TOTAL EXPENDITURES	4,654,400	5,245,800	5,334,100	5,113,500	5,155,100
EXPENDITURES BY UNIT					
General Administration	2,526,000	2,953,500	3,016,300	2,968,800	3,017,200
General Operations	2,128,400	2,292,300	2,317,800	2,144,700	2,137,900
TOTAL EXPENDITURES	4,654,400	5,245,800	5,334,100	5,113,500	5,155,100

The Secretary of State, a constitutional officer as provided in Section 91 of the Kentucky Constitution, directs the Department of State of the Commonwealth. KRS 117.015 designates the Secretary of State as the chief Election Officer of the Commonwealth and the chair of the State Board of Elections. In addition, the Secretary of State appoints notaries public; issues Kentucky Colonel Commissions; is the keeper of the Seal of the Commonwealth of Kentucky; and maintains records of all official acts of the Governor as well as all legislation passed by the General Assembly.

The Office of the Secretary of State consists of the following organizational units: the Office of Business; Office of Elections; and the Office of Administration.

The Office of Business is responsible for the registration and incorporation of businesses, both domestic and foreign, profit and non-profit, including the administration of documents of merger, dissolution, and name changes. It also accepts and processes filings for limited liability companies and registered limited liability partnerships. These entities must also file articles of organization with the Secretary of State as well as amendments, mergers and dissolutions.

The Office of Administration is responsible for executive policy and management functions for the entire office. It prepares and records official documents for the Governor; administers Kentucky's notary public law; issues commissions, pardons, commutations, and extraditions; processes service of summonses; and implements the election laws of the Commonwealth.

The State Land Office is also under the supervision of the Secretary of State. It preserves Kentucky's land grant records and fulfills daily inquiries and requests for copies of those records. It files city annexations and incorporations, state deeds, and new land patents, and it provides the public with certified copies of land surveys, grants, and military warrants.

The restoration process consists of indexing, de-acidifying, laminating, and bonding, thus safely preserving Kentucky's original land grants.

Policy

Notwithstanding KRS 14.140, in fiscal year 2019 and in fiscal year 2020 the Secretary of State shall transfer \$1,500,000 each year in Restricted Funds to the credit of the General Fund.

**General Government
Board of Elections**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,989,300	5,377,000	5,484,300	4,216,200	4,231,100
Total General Fund	3,989,300	5,377,000	5,484,300	4,216,200	4,231,100
Restricted Funds					
Balance Forward	806,333	607,533	408,433	607,533	408,433
Current Receipts	47,200	46,900	46,600	46,900	46,600
Total Restricted Funds	853,533	654,433	455,033	654,433	455,033
Federal Fund					
Balance Forward	13,472,219	9,447,319	5,422,419	9,447,319	5,422,319
Current Receipts	20,000	20,000	20,000	20,000	20,000
Total Federal Fund	13,492,219	9,467,319	5,442,419	9,467,319	5,442,319
TOTAL SOURCE OF FUNDS	18,335,052	15,498,752	11,381,752	14,337,952	10,128,452
EXPENDITURES BY CLASS					
Personnel Costs	1,280,500	1,618,800	1,651,000	1,443,500	1,458,400
Operating Expenses	495,300	600,400	595,500	559,300	559,300
Grants Loans Benefits	6,504,400	7,448,700	6,409,900	6,504,400	5,385,600
TOTAL EXPENDITURES	8,280,200	9,667,900	8,656,400	8,507,200	7,403,300
EXPENDITURES BY FUND SOURCE					
General Fund	3,989,300	5,377,000	5,484,300	4,216,200	4,231,100
Restricted Funds	246,000	246,000	246,000	246,000	246,000
Federal Fund	4,044,900	4,044,900	2,926,100	4,045,000	2,926,200
TOTAL EXPENDITURES	8,280,200	9,667,900	8,656,400	8,507,200	7,403,300
EXPENDITURES BY UNIT					
General Administration and Support	1,375,300	1,818,700	1,846,000	1,602,200	1,617,100
State Share of County Election Expenses	1,490,700	1,904,300	1,904,300	1,490,700	1,490,700
State Share of Voter Registration Expenses	1,173,300	1,704,000	1,784,000	1,173,300	1,173,300
Election Fund	4,240,900	4,240,900	3,122,100	4,241,000	3,122,200
TOTAL EXPENDITURES	8,280,200	9,667,900	8,656,400	8,507,200	7,403,300

The State Board of Elections administers the election laws of the state pursuant to KRS Chapters 116, 117, 118, 118A, 119, and 120; supervises the registration and purgation of voters; appoints the political party representatives to the 120 county boards of elections; and certifies official election results.

KRS 117.015 designates the Secretary of State as the chair of the Board. Six other members are appointed by the Governor.

General Administration and Support

The General Administration and Support program objectives are to maintain an up to date computerized record of registered voters in the state, certify election results, produce precinct rosters, issue certification of nomination and election, train county clerks in election duties, and conduct a nonpartisan voter education program.

The State Board of Elections' online Election Night Tally System provides up-to-the-minute, unofficial election results on all candidates who file with the state.

State Share of County Election Expenses

The State Share of County Election Expenses program reimburses county fiscal courts the state's share of county election expenses pursuant to KRS 117.345(2).

The state currently has 3,731 precincts with over 3 million registered voters. The number of precincts increases as voter registration totals increase and as reapportionment of county commissioner/magisterial districts and congressional and state redistricting occur.

State Share of Voter Registration Expenses

The State Board of Elections remits payment to county clerks for newly registered voters pursuant to KRS 116.145. There is a significant increase of newly registered voters in years that county and presidential candidates are on the ballot.

The State Board of Elections remits reimbursement to county clerks an amount not to exceed fifty cents (\$0.50) per registered voter in the county per year for the cost of employing office personnel necessary for the conduct of elections, including the registration and purgation of voters in the county pursuant to KRS 117.343 and KRS 116.112(7).

Election Fund

The Help America Vote Act (HAVA) became law in 2002. The Act imposed new election requirements on states and called for the upgrade of voting machines to be in compliance by January 1, 2006.

The Commonwealth initially received \$32.9 million in federal funds to carry out the requirements of HAVA, which were matched with state funds at a rate of five percent. The funds were used for the purchase of voting equipment, voter education, poll worker training, and enhancement of the statewide voter registration system. On December 8, 2006 the Board adopted the 2006 Amended State Plan, which indicated that the Commonwealth was in compliance with the requirements of HAVA.

**General Government
Registry of Election Finance**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,231,700	1,509,900	1,543,100	1,448,100	1,466,500
Total General Fund	1,231,700	1,509,900	1,543,100	1,448,100	1,466,500
TOTAL SOURCE OF FUNDS	1,231,700	1,509,900	1,543,100	1,448,100	1,466,500
EXPENDITURES BY CLASS					
Personnel Costs	1,157,900	1,386,300	1,419,500	1,373,400	1,391,800
Operating Expenses	73,800	123,600	123,600	74,700	74,700
TOTAL EXPENDITURES	1,231,700	1,509,900	1,543,100	1,448,100	1,466,500
EXPENDITURES BY FUND SOURCE					
General Fund	1,231,700	1,509,900	1,543,100	1,448,100	1,466,500
TOTAL EXPENDITURES	1,231,700	1,509,900	1,543,100	1,448,100	1,466,500
EXPENDITURES BY UNIT					
Registry of Election Finance	1,231,700	1,509,900	1,543,100	1,448,100	1,466,500
TOTAL EXPENDITURES	1,231,700	1,509,900	1,543,100	1,448,100	1,466,500

The role of the Kentucky Registry of Election Finance is to ensure the integrity of the Commonwealth's electoral process by making certain there is full public access to campaign financial data and financial disclosure reports, and by administering Kentucky's campaign finance laws.

Under KRS Chapter 121, Kentucky's campaign finance laws apply to all candidates for public office, except federal office, as well as political issues committees, permanent committees, state and local party executive committees, inaugural committees, and caucus campaign committees. The Registry also receives, compiles, and maintains financial disclosure reports of elected officials and candidates for specified offices as provided in KRS Chapter 61.

Regulatory functions of the Registry include: educating candidates and committees on campaign finance laws; ensuring compliance with campaign finance reporting requirements, including the timely filing of campaign finance reports; providing the means for electronic reporting of campaign finance data; conducting desk reviews and random audits; investigating complaints; and adjudicating charges of administrative violations of campaign finance laws.

The Registry's public disclosure role is a key component of the campaign finance laws. Registry employees routinely work with members of the public and the media to fill open records requests and to assist in On-line Searchable Database searches.

Pursuant to KRS 121.170(5), the Registry receives copies of reports filed with the Federal Election Commission by federally registered out-of-state permanent committees that contribute to Kentucky candidates. These and the reports of other candidates and committees who are required to file with the Federal Election Commission may be viewed at the Registry's office in Frankfort pursuant to 2 U.S.C. Section 439(c).

General Government

Attorney General

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	11,034,400	15,539,900	16,177,200	12,081,100	12,239,600
Budget Reduction-General Fund	-141,000				
Total General Fund	10,893,400	15,539,900	16,177,200	12,081,100	12,239,600
Restricted Funds					
Balance Forward	9,578,300	6,015,000	3,137,900	6,015,000	2,975,000
Current Receipts	9,026,700	7,351,700	7,351,700	7,351,700	7,351,700
Non-Revenue Receipts	7,435,700	8,035,300	8,104,400	8,389,500	8,488,400
Total Restricted Funds	26,040,700	21,402,000	18,594,000	21,756,200	18,815,100
Federal Fund					
Current Receipts	6,178,900	5,707,900	5,465,800	5,707,900	5,393,400
Total Federal Fund	6,178,900	5,707,900	5,465,800	5,707,900	5,393,400
TOTAL SOURCE OF FUNDS	43,113,000	42,649,800	40,237,000	39,545,200	36,448,100
EXPENDITURES BY CLASS					
Personnel Costs	22,663,700	27,467,900	28,314,900	25,065,300	25,194,300
Operating Expenses	3,837,700	4,220,800	3,887,500	3,731,700	3,560,500
Grants Loans Benefits	10,596,600	7,773,200	7,693,300	7,773,200	7,693,300
Capital Outlay		50,000			
TOTAL EXPENDITURES	37,098,000	39,511,900	39,895,700	36,570,200	36,448,100
EXPENDITURES BY FUND SOURCE					
General Fund	10,893,400	15,539,900	16,177,200	12,081,100	12,239,600
Restricted Funds	20,025,700	18,264,100	18,252,700	18,781,200	18,815,100
Federal Fund	6,178,900	5,707,900	5,465,800	5,707,900	5,393,400
TOTAL EXPENDITURES	37,098,000	39,511,900	39,895,700	36,570,200	36,448,100
EXPENDITURES BY UNIT					
Administrative Services	2,630,700	3,481,800	3,384,400	2,960,200	3,032,000
Criminal Services	8,769,000	10,737,600	10,884,900	9,667,500	9,653,600
Uninsured Employers Fund	6,948,100	7,524,900	7,473,200	7,509,400	7,443,800
Advocacy Services	10,259,600	8,340,800	8,547,000	7,268,600	7,059,800
Civil Services	8,490,600	9,426,800	9,606,200	9,164,500	9,258,900
TOTAL EXPENDITURES	37,098,000	39,511,900	39,895,700	36,570,200	36,448,100

The Attorney General has the statutory responsibility (KRS 15.020) to act as the chief law officer for the Commonwealth. This involves a wide and diverse range of responsibilities and duties, the power to investigate matters and other legal activities, including representation, on behalf of the Commonwealth. The Office of the Attorney General's four-part mission of Preventing Child Abuse, Protecting Seniors, Justice for Rape Victims and Addressing Kentucky's Drug Problem is supported by 12 organizational units arranged under five allotment programs.

The Office of Administrative Services provides the administrative support network for agency operations including budget, personnel and payroll, fiscal services, procurement services, ADA, Title VI and EEO programs, employee training, federal grant administration, audit coordination and operation management.

Criminal Services encompass the Office of Criminal Appeals, Office of Special Prosecutions, Department of Criminal Litigation, and the Prosecutors Advisory Council.

- The Office of Criminal Appeals appears for the Commonwealth in all criminal appeals in which the Commonwealth has an interest in both state and federal courts, fulfilling the mandate of KRS 15.020. Staff also advises prosecutors concerning the merits of appeals from adverse interlocutory rulings and the likelihood of successfully requesting certifications of the law. The Office of Criminal Appeals also reviews participates in amicus curiae efforts by other states.

- The Office of Special Prosecutions prosecutes criminal cases pursuant to KRS 15.190 to KRS 15.715; and includes taking over the prosecution of cases in which the local prosecutor disqualifies himself, prosecuting thefts affecting the treasury of the Commonwealth and crimes arising from audits of local government financial administrations. The Office investigates and prosecutes election law violations, environmental crimes, ethics law violations as referred by the Executive Branch Ethics Commission and theft from the state treasury as referred by the Auditor of Public Accounts.
- The Department of Criminal Investigations (DCI) provides expert criminal investigative services in Cyber Crimes and Drug and Public Integrity/Special Investigations. DCI Investigators are sworn law enforcement officers and are certified by Kentucky Peace Officer Professional Standards. The mission of DCI is to uphold the law through the highest standards of excellence, investigating violations of state criminal statutes; to deter and reduce crime; to enhance public safety; and to provide assistance to local, state and federal law enforcement agencies by utilizing innovative programs and technologies.
- The Prosecutors Advisory Council administers the budget of the Unified Prosecutorial System, which consists of 177 Commonwealth's and County Attorneys and their employees, and oversees the training of the Commonwealth's prosecutors. The Council provides basic training courses for newly elected officials and sponsors the Kentucky Prosecutors Institute, a weeklong trial skills course for new prosecutors.

The Advocacy Services program include the offices of Consumer Protection, Senior Protection, Victims Advocacy, Child Abuse and Human Trafficking Prevention and Prosecution.

- The Office of Consumer Protection enforces the Kentucky Consumer Protection Act (KCPA) to safeguard the state's consumers and combat unethical business practices pursuant to authority granted to the Attorney General under KRS 367.110, et seq. and common law. The KCPA protects Kentucky's citizens from unfair, false, misleading or deceptive acts or practices in trade or commerce. The Office of Consumer Protection enforces the Act by bringing lawsuits in the public interest to obtain civil penalties and consumer redress, including restitution and injunctive relief aimed at changing unscrupulous business practices.
- The Office of Senior Protection is responsible for providing services and training to protect seniors against fraud, scams and financial exploitation.
- The Office of Victims Advocacy works to ensure justice for Kentucky's victims of crime, assist victims in navigating the legal process and in implementing strategies to reduce the number of crime victims in the future. Victims Advocacy provides technical assistance to victim advocates, prosecutors, law enforcement and allied health providers across the Commonwealth.
- The Office of Child Abuse and Human Trafficking Prevention and Prosecution (CAHTPP) provides direct assistance to the public on cases of child abuse, internet safety, crimes against children and human trafficking and provides direct training, response, technical assistance, and legal assistance to prosecutors and law enforcement. The CAHTPP is also responsible for administering the Kentucky Multidisciplinary Commission on Child Sexual Abuse (KRS 431.650-670) and the Child Sexual Abuse and Exploitation Prevention Board (KRS 15.905).

The Civil Services Division contains the Office of Civil and Environmental Law, Office of Rate Intervention and Office of Medicaid Fraud and Abuse Control.

- Pursuant to KRS 15.020, the Office of Civil and Environmental Law represents state boards and agencies, issues formal opinions, represents state officials, elected prosecutors, and the judiciary in legal proceedings, adjudicates administrative hearings and intervenes in constitutional challenges to state statutes.
- The Office of Rate Intervention is responsible for representing the interests of Kentucky consumers/ratepayers before federal, state, and local governmental ratemaking agencies (KRS 367.150(8)).
- The Office of Medicaid Fraud and Abuse Control, authorized by Congress in 42 USC § 1396 and by federal regulation in 42 CFR 455.15, investigates and prosecutes cases of Medicaid provider fraud pursuant to KRS Chapters 194 and 205. The Office also investigates and prosecutes complaints of abuse, neglect and exploitation of residents in facilities that receive Medicaid funding and in board and care facilities.

The Uninsured Employers Fund is part of the Kentucky Workers Compensation Program and KRS 342.760 directs the Attorney General's office to serve as legal representation for the Fund in all claims made against it or on its behalf. The Uninsured Employer's Fund is responsible for payment of Workers' Compensation to employees when the employer does not have Workers' Compensation insurance.

**General Government
Commonwealth's Attorneys**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	49,024,300	68,322,100	69,894,800	60,597,900	61,513,300
Total General Fund	49,024,300	68,322,100	69,894,800	60,597,900	61,513,300
Restricted Funds					
Balance Forward	2,406,000	2,409,344	1,854,744	2,409,300	1,854,700
Current Receipts	3,906,200	1,915,000	1,825,000	1,915,000	1,825,000
Total Restricted Funds	6,312,200	4,324,344	3,679,744	4,324,300	3,679,700
Federal Fund					
Balance Forward	-81,100		7,000		7,000
Current Receipts	121,400	54,300	55,100	47,300	47,700
Total Federal Fund	40,300	54,300	62,100	47,300	54,700
TOTAL SOURCE OF FUNDS	55,376,800	72,700,744	73,636,644	64,969,500	65,247,700
EXPENDITURES BY CLASS					
Personnel Costs	48,690,600	66,093,500	67,287,100	58,804,700	59,290,600
Operating Expenses	4,235,900	4,653,300	4,603,300	4,235,900	4,235,900
Grants Loans Benefits	41,000	67,200	60,000	42,200	35,000
Capital Outlay		25,000	25,000	25,000	25,000
TOTAL EXPENDITURES	52,967,500	70,839,000	71,975,400	63,107,800	63,586,500
EXPENDITURES BY FUND SOURCE					
General Fund	49,024,300	68,322,100	69,894,800	60,597,900	61,513,300
Restricted Funds	3,902,900	2,469,600	2,032,900	2,469,600	2,032,900
Federal Fund	40,300	47,300	47,700	40,300	40,300
TOTAL EXPENDITURES	52,967,500	70,839,000	71,975,400	63,107,800	63,586,500
EXPENDITURES BY UNIT					
Commonwealth's Attorneys	52,967,500	70,839,000	71,975,400	63,107,800	63,586,500
TOTAL EXPENDITURES	52,967,500	70,839,000	71,975,400	63,107,800	63,586,500

Established by Section 99;100 of the Kentucky Constitution, the Commonwealth's Attorneys program is made up of 57 elected Commonwealth's Attorneys and their staffs, one for each judicial circuit. Currently 52 circuits have full-time Commonwealth's Attorneys, with the remaining circuits with part-time attorneys. Commonwealth's Attorneys are responsible for all felony prosecutions, including those prosecutions in which the penalty of death may be imposed upon the defendant. The prosecution of each felony requires a thorough investigation that involves extensive research and trial preparation by the prosecutor. Witness interviews, grand jury presentations, motions (including post-conviction motions), conferences, plea-bargaining, case studies, continuing legal education and participation on multi-disciplinary teams are a part of each prosecutor's responsibility in representing the Commonwealth and citizens of Kentucky as the state's attorney.

Pursuant to KRS 15.725, the Commonwealth's Attorneys attend each circuit court held in the judicial circuit. The Commonwealth's Attorneys, except as provided by KRS 15.715, have the duty to prosecute all violations of the criminal and penal laws which are tried in their circuit court. In addition, the Commonwealth's Attorneys have the primary responsibility within the judicial circuit to present evidence to the grand jury concerning such violations.

In accordance with KRS 15.735, the Commonwealth's Attorneys serve as special prosecutors in cases where the regularly elected prosecutors have been disqualified.

Policy

The Executive Budget provides \$3,000,000 General Fund appropriation in each fiscal year for additional personnel to address increasing caseload.

**General Government
County Attorneys**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	42,647,000	61,655,900	63,213,500	54,590,600	55,484,400
Total General Fund	42,647,000	61,655,900	63,213,500	54,590,600	55,484,400
Restricted Funds					
Balance Forward	781,100	716,249	366,549	716,200	427,300
Current Receipts	739,700	493,300	526,700	493,300	526,700
Total Restricted Funds	1,520,800	1,209,549	893,249	1,209,500	954,000
Federal Fund					
Balance Forward	81,100	81,100	81,100	81,100	81,100
Current Receipts	503,700	993,800	1,003,700	993,800	1,003,700
Total Federal Fund	584,800	1,074,900	1,084,800	1,074,900	1,084,800
TOTAL SOURCE OF FUNDS	44,752,600	63,940,349	65,191,549	56,875,000	57,523,200
EXPENDITURES BY CLASS					
Personnel Costs	43,163,300	61,118,400	62,551,000	54,827,200	55,591,100
Operating Expenses	792,000	2,374,300	2,374,300	1,539,400	1,539,700
TOTAL EXPENDITURES	43,955,300	63,492,700	64,925,300	56,366,600	57,130,800
EXPENDITURES BY FUND SOURCE					
General Fund	42,647,000	61,655,900	63,213,500	54,590,600	55,484,400
Restricted Funds	804,600	843,000	708,100	782,200	642,700
Federal Fund	503,700	993,800	1,003,700	993,800	1,003,700
TOTAL EXPENDITURES	43,955,300	63,492,700	64,925,300	56,366,600	57,130,800
EXPENDITURES BY UNIT					
County Attorneys	43,955,300	63,492,700	64,925,300	56,366,600	57,130,800
TOTAL EXPENDITURES	43,955,300	63,492,700	64,925,300	56,366,600	57,130,800

Established in Section 99;100 of the Kentucky, the offices of the County Attorney are present in each of the 120 counties of the Commonwealth. Pursuant to KRS 15.725(2), each County Attorney attends the district court in the respective county and prosecutes all violations of criminal and penal laws within the jurisdiction of that district court. In accordance with KRS 15.735, County Attorneys also serve as special prosecutors in cases where the elected prosecutors have been disqualified.

Criminal cases at the district level include felonies (until the case is transferred to circuit court), misdemeanors, juvenile cases, and traffic cases. County Attorneys prosecute the majority of DUI cases. Most counties have Family Court, Drug Court, and/or Truancy Court requiring representation from the Office of the County Attorney. The County Attorney receives numerous criminal complaints from local law enforcement and the general public and frequently mediates local complaints so many of the services provided may never appear on a court docket. County Attorneys are also required to participate on multi-disciplinary teams involving child sexual abuse cases.

Policy

The Executive Budget provides \$4,250,000 General Fund appropriation in each fiscal year for additional personnel to address increasing caseload.

General Government

Treasury

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,989,900	2,406,700	2,471,300	2,225,600	2,261,200
Budget Reduction-General Fund	-25,400				
Total General Fund	1,964,500	2,406,700	2,471,300	2,225,600	2,261,200
Restricted Funds					
Balance Forward	411,700	121,100	100,400	121,100	20,700
Current Receipts	34,300	34,300	34,300	34,300	34,300
Non-Revenue Receipts	1,523,700	1,913,300	1,931,900	1,793,600	1,793,600
Total Restricted Funds	1,969,700	2,068,700	2,066,600	1,949,000	1,848,600
Road Fund					
Regular Appropriation	250,000	250,000	250,000	250,000	250,000
Total Road Fund	250,000	250,000	250,000	250,000	250,000
TOTAL SOURCE OF FUNDS	4,184,200	4,725,400	4,787,900	4,424,600	4,359,800
EXPENDITURES BY CLASS					
Personnel Costs	3,117,300	3,639,300	3,737,200	3,416,700	3,387,300
Operating Expenses	894,800	973,200	958,500	974,700	960,000
Capital Outlay	51,000	12,500	12,500	12,500	12,500
TOTAL EXPENDITURES	4,063,100	4,625,000	4,708,200	4,403,900	4,359,800
EXPENDITURES BY FUND SOURCE					
General Fund	1,964,500	2,406,700	2,471,300	2,225,600	2,261,200
Restricted Funds	1,848,600	1,968,300	1,986,900	1,928,300	1,848,600
Road Fund	250,000	250,000	250,000	250,000	250,000
TOTAL EXPENDITURES	4,063,100	4,625,000	4,708,200	4,403,900	4,359,800
EXPENDITURES BY UNIT					
General Administration and Support	1,354,500	1,616,800	1,654,400	1,485,400	1,504,000
Disbursements and Accounting	915,000	1,094,900	1,121,900	1,124,900	1,062,200
Abandoned Property Administration	1,793,600	1,913,300	1,931,900	1,793,600	1,793,600
TOTAL EXPENDITURES	4,063,100	4,625,000	4,708,200	4,403,900	4,359,800

The Treasury Department is the central administrative agency responsible for the receipt and custody of all revenues collected by state government and for writing all checks and disbursing state funds, as outlined in KRS Chapter 41.

The State Treasurer, a constitutional officer as provided in Section 91 of the Kentucky Constitution, heads the Treasury Department. The Treasurer also serves on the Kentucky Lottery Board, the Kentucky Higher Education Assistance Board, as trustee of the Kentucky Teachers' Retirement System, and is Vice-Chair of the State Investment Commission. The Treasury Department reviews and records all investment transactions of the Commonwealth.

The General Administration and Support Division provides management support for Treasury including: fiscal control, personnel administration, and policy development and implementation. The Division issues over 4,200,000 checks and stubs each year, sends over 7,700,000 ACH payments, reconciles the various Commonwealth bank accounts, reconciles daily with the State Depository, administers and records court-ordered withholdings, and produces wire transfers for state government.

The Disbursements and Accounting Division receives all funds of the Commonwealth including fees, grants, taxes, federal funds, fees from officials in counties over 75,000 in population, and fees from various boards and commissions. This program also receives, balances, and deposits all withholdings. A computer analysis is maintained on daily receipts and disbursements, which subsequently is submitted to the Finance and Administration Cabinet for accounting posting.

The Unclaimed Property Division is responsible for administering the provisions of KRS Chapter 393 related to escheats. This program receives unclaimed property reports from holders and potential holders of unclaimed property, collects unclaimed property, pursues the location and collection of the property, and attempts to locate the rightful property owner.

Policy

Road Fund moneys in the amount of \$250,000 is included each fiscal year to support the central check writing system and other central administrative responsibilities of state government.

General Government

Agriculture

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	17,041,200	20,462,600	21,001,000	17,791,200	18,010,800
Continuing Approp-General Fund	203,700				
Budget Reduction-General Fund	-217,800				
Total General Fund	17,027,100	20,462,600	21,001,000	17,791,200	18,010,800
Tobacco Fund					
Tobacco Settlement - Phase I	600,000	600,000	600,000	600,000	600,000
Current Year Appropriation	198,300				
Total Tobacco Fund	798,300	600,000	600,000	600,000	600,000
Restricted Funds					
Balance Forward	13,787,395	12,366,630	10,415,630	12,366,595	10,415,595
Current Receipts	6,700,600	6,837,600	6,824,800	6,837,600	6,824,800
Non-Revenue Receipts	2,070,000	2,070,000	2,070,000	2,070,000	2,070,000
Total Restricted Funds	22,557,995	21,274,230	19,310,430	21,274,195	19,310,395
Federal Fund					
Current Receipts	7,068,400	7,068,400	7,068,400	7,068,400	7,068,400
Total Federal Fund	7,068,400	7,068,400	7,068,400	7,068,400	7,068,400
TOTAL SOURCE OF FUNDS	47,451,795	49,405,230	47,979,830	46,733,795	44,989,595
EXPENDITURES BY CLASS					
Personnel Costs	20,399,600	23,899,600	24,433,000	22,043,600	22,243,400
Operating Expenses	5,881,000	6,043,600	6,038,200	5,695,600	5,705,000
Grants Loans Benefits	8,033,700	7,956,600	7,956,600	7,489,200	7,489,200
Capital Outlay	770,900	1,089,800	1,089,800	1,089,800	1,089,800
TOTAL EXPENDITURES	35,085,200	38,989,600	39,517,600	36,318,200	36,527,400
EXPENDITURES BY FUND SOURCE					
General Fund	17,027,100	20,462,600	21,001,000	17,791,200	18,010,800
Tobacco Fund	798,300	600,000	600,000	600,000	600,000
Restricted Funds	10,191,400	10,858,600	10,848,200	10,858,600	10,848,200
Federal Fund	7,068,400	7,068,400	7,068,400	7,068,400	7,068,400
TOTAL EXPENDITURES	35,085,200	38,989,600	39,517,600	36,318,200	36,527,400
EXPENDITURES BY UNIT					
Strategic Planning and Administration	6,213,500	6,682,700	6,790,000	6,315,900	6,391,000
Motor Fuel Inspection and Testing	203,700	204,700	204,700	204,700	204,700
Consumer and Environmental Programs	15,300,300	17,108,100	17,326,100	15,992,700	16,067,000
State Veterinarian	3,764,900	4,380,500	4,462,500	4,123,800	4,159,700
Animal Control	100,800	96,000	96,000	95,700	95,700
Farmland Preservation	582,300	582,300	582,300	582,300	582,300
Agriculture Marketing and Product Promotion	8,326,000	9,515,300	9,633,000	8,605,500	8,629,400
Small Winery Support Fund	593,700	420,000	423,000	397,600	397,600
TOTAL EXPENDITURES	35,085,200	38,989,600	39,517,600	36,318,200	36,527,400

The Department of Agriculture, as defined in KRS Chapter 246, is headed by the Commissioner of Agriculture, a Constitutional Officer. The State Board of Agriculture, appointed by the Governor, acts as an advisory body to the elected Commissioner.

The Office of the Commissioner provides leadership and management for the Department, and includes the Division of Public Relations. The Office for Strategic Planning and Administration is responsible for personnel functions, budgeting, financial operation, and information technology systems.

The Office for Consumer and Environmental Protection directs programs which have a direct bearing on agricultural revenue. The Office conducts the grain regulation program, certifies all sales made by solid weight or liquid volume, licenses egg wholesalers, and inspects amusement rides operating within the Commonwealth. Duties include the distribution of commodity foods to qualifying institutions and individuals on behalf of the United States Department of Agriculture. This office is responsible for conducting various pest and noxious weed control programs, enforcing federal and state laws and regulations pertaining to the control of pesticide use and application, and liaison between the regulator and those being regulated.

The Office of State Veterinarian protects the livestock industry pursuant to KRS Chapter 257. Its primary function is the prevention and eradication of animal disease, and to ensure the health of the state's multi-billion dollar animal agriculture industries. It enforces Kentucky's statutes on animal importation and movement, and provides numerous other services to the livestock and poultry industries.

The Office for Agricultural Marketing and Product Promotion develops and manages programs which promote Kentucky-produced agricultural products, including grading and inspecting specific products and commodities and reporting market news. Responsibilities of this office include the research and development of new and expanded outlets for Kentucky's agricultural products, agricultural education, agritourism development, farm safety, administration of the Shows and Fairs Promotion Division, and farmland preservation. The Office is also responsible for providing testing services for hay and other forages essential for Kentucky's livestock industries. The Small Farm Winery Support Fund was created in 2006 and the Department administers funds each year of the biennium to develop marketing and promotion strategies to assist this emerging industry.

Policy

The Executive Budget provides no General Fund for the Farmers Market Senior Program or County Fair Improvement grants.

**General Government
Auditor of Public Accounts**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,948,600	9,064,700	9,461,400	5,634,200	5,735,700
Budget Reduction-General Fund	-63,300				
Total General Fund	4,885,300	9,064,700	9,461,400	5,634,200	5,735,700
Restricted Funds					
Balance Forward	450,100			450,100	225,000
Current Receipts	9,766,500	9,766,500	9,766,500	9,766,500	9,766,500
Total Restricted Funds	10,216,600	9,766,500	9,766,500	10,216,600	9,991,500
TOTAL SOURCE OF FUNDS	15,101,900	18,831,200	19,227,900	15,850,800	15,727,200
EXPENDITURES BY CLASS					
Personnel Costs	13,483,800	17,661,000	18,057,600	14,655,400	14,756,800
Operating Expenses	1,168,000	1,170,200	1,170,300	970,400	970,400
TOTAL EXPENDITURES	14,651,800	18,831,200	19,227,900	15,625,800	15,727,200
EXPENDITURES BY FUND SOURCE					
General Fund	4,885,300	9,064,700	9,461,400	5,634,200	5,735,700
Restricted Funds	9,766,500	9,766,500	9,766,500	9,991,600	9,991,500
TOTAL EXPENDITURES	14,651,800	18,831,200	19,227,900	15,625,800	15,727,200
EXPENDITURES BY UNIT					
Auditor of Public Accounts	1,502,300	1,808,800	1,854,500	1,747,900	1,778,800
Financial Audit	11,348,200	14,716,800	15,016,300	11,804,400	11,838,000
Technology and Specialized Audits	1,801,300	2,305,600	2,357,100	2,073,500	2,110,400
TOTAL EXPENDITURES	14,651,800	18,831,200	19,227,900	15,625,800	15,727,200

The Auditor of Public Accounts is the constitutional officer responsible for auditing all state agencies and county governments, pursuant to KRS Chapter 43. Statutory responsibility requires the Auditor's Office to examine the state general accounts, the accounts of all state agencies, all private and semi-private agencies receiving or handling state funds, all state revenue collections, funds contained in each county's budget, and the accounts and papers of all county clerks and sheriffs. The Auditor must examine the management and control of all institutions and public works in which the state has financial interest or legal power.

The Auditor's Office is responsible for assisting state and local officials in establishing and maintaining proper accounting records, internal controls, and administrative controls over public funds. The Office responds to requests from public officials, the general public, the Legislative Research Commission, and the Governor's Office concerning financial and program matters, special audits, and investigations. Also, the Auditor of Public Accounts has primary responsibility for auditing nearly \$9 billion in federal funds expended in state and county governments.

The Auditor of Public Accounts has three program areas: Administration, Office of Financial Audits, and the Office of Technology and Special Audits.

The Administration area includes the Office of the State Auditor, the Office of Legal and Records Services, and the Office of Planning and Management. All policy, budget, fiscal, legal, and personnel duties are performed within the Administration area.

The Office of Financial Audits is responsible for financial audits of state agency transactions, pursuant to KRS 43.050, and of county officials such as fiscal courts, sheriffs, county clerks, property valuation administrators, county attorneys, and circuit clerks per KRS 43.070. Audits of major federal programs performed in accordance with the Single Audit Act of 1984 (amended in 1996) as enacted by the United States Congress are also performed by this office. Collectively, these audits identify significant waste, fraud, and abuse, and have led to numerous law enforcement referrals.

The Office of Technology and Special Audits is responsible for maintaining internal technology systems, and for performing audits of significant information technology systems, special examinations, and performance audits of public entities to increase the effectiveness and reduce the cost of the delivery of services.

General Government

Personnel Board

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	480,100	451,900	236,700	451,900	242,100
Current Receipts	885,600	800,000	800,000	800,000	800,000
Total Restricted Funds	1,365,700	1,251,900	1,036,700	1,251,900	1,042,100
TOTAL SOURCE OF FUNDS	1,365,700	1,251,900	1,036,700	1,251,900	1,042,100
EXPENDITURES BY CLASS					
Personnel Costs	772,900	874,300	889,700	868,900	877,600
Operating Expenses	140,900	140,900	140,900	140,900	140,900
TOTAL EXPENDITURES	913,800	1,015,200	1,030,600	1,009,800	1,018,500
EXPENDITURES BY FUND SOURCE					
Restricted Funds	913,800	1,015,200	1,030,600	1,009,800	1,018,500
TOTAL EXPENDITURES	913,800	1,015,200	1,030,600	1,009,800	1,018,500
EXPENDITURES BY UNIT					
Personnel Board	913,800	1,015,200	1,030,600	1,009,800	1,018,500
TOTAL EXPENDITURES	913,800	1,015,200	1,030,600	1,009,800	1,018,500

Created by the 1982 General Assembly, the Personnel Board is composed of seven members. The Governor appoints five, and two are classified employees elected by their colleagues. Pursuant to KRS 18A.0551, elections for the two classified employee members of the Board are held every four years.

The Personnel Board serves in a quasi judicial capacity and assists the Personnel Cabinet in the development of administrative regulations pertaining to the classified service. The Board administers the appeals process of applicants for classified positions and conducts hearings for any non-probationary employee who is dismissed, demoted, suspended, or otherwise penalized for cause.

Policy

The Personnel Board will coordinate with the Finance and Administration Cabinet to assess each agency of the Executive Branch under KRS 18A based upon the authorized permanent full-time positions of each agency as of July 1.

**General Government
Kentucky Retirement Systems**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	87,574,300				
Total General Fund	87,574,300				
Restricted Funds					
Non-Revenue Receipts	42,960,400	47,613,500	48,327,600	47,307,300	47,702,500
Total Restricted Funds	42,960,400	47,613,500	48,327,600	47,307,300	47,702,500
TOTAL SOURCE OF FUNDS	130,534,700	47,613,500	48,327,600	47,307,300	47,702,500
EXPENDITURES BY CLASS					
Personnel Costs	122,762,300	39,036,200	39,930,400	38,708,400	39,283,600
Operating Expenses	7,772,400	8,527,300	8,397,200	8,548,900	8,418,900
Capital Outlay		50,000		50,000	
TOTAL EXPENDITURES	130,534,700	47,613,500	48,327,600	47,307,300	47,702,500
EXPENDITURES BY FUND SOURCE					
General Fund	87,574,300				
Restricted Funds	42,960,400	47,613,500	48,327,600	47,307,300	47,702,500
TOTAL EXPENDITURES	130,534,700	47,613,500	48,327,600	47,307,300	47,702,500
EXPENDITURES BY UNIT					
Kentucky Retirement Systems	130,534,700	47,613,500	48,327,600	47,307,300	47,702,500
TOTAL EXPENDITURES	130,534,700	47,613,500	48,327,600	47,307,300	47,702,500

Kentucky Retirement Systems administers three retirement systems which are qualified governmental defined benefit plans under Section 401(a) of the Internal Revenue Code: Kentucky Employees Retirement System (state employees, universities, health departments, certain boards) governed by KRS 61.510-61.705; County Employees Retirement System (employees of cities, counties, local government entities, and classified employees of school boards) governed by KRS 78.510-78.852; and State Police Retirement System (uniformed officers of Kentucky State Police) governed by KRS 16.505-16.652. Medical insurance benefits are governed by KRS 61.701-61.702. The systems were established in the 1950s to provide a pension that, when coupled with Social Security, would provide the career employee with sufficient income to maintain his or her pre-retirement standard of living.

Kentucky Retirement Systems is administered by a seventeen-member board of trustees consisting of the Secretary of the Personnel Cabinet, ten members appointed by the Governor, and six members elected by employees and retirees of the three retirement systems. The Board is responsible for the collection and investment of contributions. Members of the Board are considered fiduciaries and are required to administer the funds in the sole interest of the members and beneficiaries of the systems. The Board is required to invest the funds under the "prudent person" rule. Investments are diversified among common stocks, government and private bonds, real estate and cash equivalents. An actuarial valuation is conducted each year to determine the funding status of the three systems, and an annual independent audit is performed as well.

Employers contribute a percentage of gross payroll recommended by the actuarial valuation. However, the General Assembly may adopt a rate that varies from the actuarial valuation. Employees contribute at a fixed rate set in the statutes. The assets of the system are considered trust funds. All expenses are paid from the trust.

Restricted Funds providing for the operations of the Kentucky Retirement Systems in the Executive Budget are transferred from trust funds held by the System for the benefit of members and beneficiaries. The trust funds include investment earnings, employee contributions, and employer contributions from agencies supported by the General Fund, the Road Fund, Federal Funds, and Restricted Funds.

General Government
Occupational & Professional Boards & Commissions

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	23,280,800	23,616,500	22,193,600	23,616,500	22,021,600
Current Receipts	22,213,400	23,592,100	22,682,600	23,592,100	22,682,600
Total Restricted Funds	45,494,200	47,208,600	44,876,200	47,208,600	44,704,200
TOTAL SOURCE OF FUNDS	45,494,200	47,208,600	44,876,200	47,208,600	44,704,200
EXPENDITURES BY CLASS					
Personnel Costs	17,485,100	20,678,600	21,073,200	20,615,000	20,836,700
Operating Expenses	3,896,400	4,004,500	3,996,200	4,075,800	4,067,400
Grants Loans Benefits	495,700	495,700	495,700	495,700	495,700
Capital Outlay	500	500	500	500	500
TOTAL EXPENDITURES	21,877,700	25,179,300	25,565,600	25,187,000	25,400,300
EXPENDITURES BY FUND SOURCE					
Restricted Funds	21,877,700	25,179,300	25,565,600	25,187,000	25,400,300
TOTAL EXPENDITURES	21,877,700	25,179,300	25,565,600	25,187,000	25,400,300
EXPENDITURES BY UNIT					
Accountancy	581,400	650,000	660,800	649,500	655,500
Certification of Alcohol and Drug Counselors	102,200	150,200	150,200	150,200	150,200
Applied Behavior Analysis Licensing	30,600	30,600	30,600	30,600	30,600
Architects	463,700	549,600	559,700	547,300	552,400
Certification for Professional Art Therapists	11,200	11,200	11,200	11,200	11,200
Barbering	340,800	376,400	382,800	423,100	426,000
Chiropractic Examiners	336,500	376,600	385,400	374,400	377,900
Dentistry	940,200	1,015,500	1,027,200	1,011,100	1,017,500
Diabetes Educators	26,800	26,800	26,800	26,800	26,800
Licensure & Cert. for Dietitians & Nutritionists	73,900	73,900	73,900	73,900	73,900
Embalmers and Funeral Directors	427,800	486,000	495,300	483,500	488,600
Licensure for Prof. Engineers and Land Surveyors	1,393,000	1,585,000	1,614,600	1,578,100	1,594,500
Certification of Fee-Based Pastoral Counselors	3,600	3,600	3,600	3,600	3,600
Registration for Professional Geologists	95,000	95,000	95,000	95,000	95,000
Hairdressers and Cosmetologists	1,451,800	1,719,600	1,746,500	1,719,300	1,733,700
Specialists in Hearing Instruments	58,000	58,000	58,000	58,000	58,000
Interpreters for the Deaf and Hard of Hearing	38,200	38,200	38,200	38,200	38,200
Examiners & Registration of Landscape Architects	69,300	77,300	78,700	76,800	77,500
Licensure of Marriage and Family Therapists	133,600	133,600	133,600	133,600	133,600
Licensure for Massage Therapy	169,900	169,900	169,900	169,900	169,900
Medical Imaging and Radiation Therapy	314,400	436,400	442,800	435,300	438,300
Medical Licensure	3,088,200	3,409,100	3,450,300	3,407,900	3,426,800
Nursing	7,266,000	8,327,600	8,485,700	8,266,800	8,355,200
Licensure for Nursing Home Administrators	61,100	61,100	61,100	61,100	61,100

EXPENDITURES BY UNIT

Licensure for Occupational Therapy	176,600	191,600	191,600	191,600	191,600
Ophthalmic Dispensers	49,700	68,200	68,200	68,200	68,200
Optometric Examiners	208,700	231,600	235,500	231,300	233,300
Pharmacy	1,740,000	2,376,000	2,414,500	2,437,400	2,465,300
Physical Therapy	583,700	649,100	660,000	647,000	652,700
Podiatry	39,900	40,300	40,300	40,000	40,000
Private Investigators	73,700	73,700	73,700	73,700	73,700
Licensed Professional Counselors	215,800	260,800	260,800	260,800	260,800
Prosthetics, Orthotics and Pedorthics	46,200	46,200	46,200	46,200	46,200
Examiners of Psychology	256,400	256,400	256,400	256,400	256,400
Respiratory Care	223,600	251,800	256,300	240,300	242,900
Social Work	338,300	424,500	432,300	421,000	425,300
Speech-Language Pathology and Audiology	172,900	172,900	172,900	172,900	172,900
Veterinary Examiners	275,000	275,000	275,000	275,000	275,000
TOTAL EXPENDITURES	21,877,700	25,179,300	25,565,600	25,187,000	25,400,300

The forty-two occupational, professional and regulatory Boards and Commissions were created to safeguard the life, health, safety and welfare of the people of the Commonwealth who avail themselves of the services that are licensed or regulated by these Boards. Board members are appointed by the Governor and represent both industry and consumer interests.

Common objectives of the Boards and Commissions are to examine and license all qualified applicants, enforce ethical, legal and professional standards and regulations, ensure compliance with licensure requirements and administer programs in an efficient manner. The boards and commissions operate solely from agency receipts.

Twenty-seven of the Boards and Commissions employ the services of the Department of Professional Licensing established in KRS 324B.020 within the Public Protection Cabinet to perform their administrative functions. Department of Professional Licensing executes administrative support services including but not limited to applications and renewals, preparation of board meeting materials, database entry, maintenance of Board records and files, preparation of correspondence, administration of examinations and communications with the public regarding board activity and functions.

**General Government
Kentucky River Authority**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	258,200	306,000	313,800	282,700	286,400
Budget Reduction-General Fund	-13,200				
Total General Fund	245,000	306,000	313,800	282,700	286,400
Restricted Funds					
Balance Forward	5,013,000	5,570,200	4,405,700	5,570,200	4,405,700
Current Receipts	4,158,500	7,221,000	7,231,900	7,125,000	7,131,000
Non-Revenue Receipts		-1,000,000	-2,000,000	-1,000,000	-2,000,000
Total Restricted Funds	9,171,500	11,791,200	9,637,600	11,695,200	9,536,700
TOTAL SOURCE OF FUNDS	9,416,500	12,097,200	9,951,400	11,977,900	9,823,100
EXPENDITURES BY CLASS					
Personnel Costs	823,300	1,024,100	1,045,100	1,004,800	1,016,800
Operating Expenses	283,800	333,500	333,500	333,500	333,500
Grants Loans Benefits	259,200	259,200	259,200	259,200	259,200
Debt Service	2,480,000	5,760,000	5,760,000	5,760,000	5,760,000
Capital Outlay	0	314,700	306,200	214,700	206,200
TOTAL EXPENDITURES	3,846,300	7,691,500	7,704,000	7,572,200	7,575,700
EXPENDITURES BY FUND SOURCE					
General Fund	245,000	306,000	313,800	282,700	286,400
Restricted Funds	3,601,300	7,385,500	7,390,200	7,289,500	7,289,300
TOTAL EXPENDITURES	3,846,300	7,691,500	7,704,000	7,572,200	7,575,700
EXPENDITURES BY UNIT					
General Operations	1,055,100	1,243,600	1,256,800	1,147,600	1,155,900
Locks and Dams Construction/ Maintenance	2,500,000	5,905,000	5,905,000	5,905,000	5,905,000
Locks and Dams Operations	291,200	542,900	542,200	519,600	514,800
TOTAL EXPENDITURES	3,846,300	7,691,500	7,704,000	7,572,200	7,575,700

The mission of the Kentucky River Authority is to protect the quality and sufficiency of the water supply in the Kentucky River Basin. The people and businesses in 42 counties depend on the river and its tributaries for clean drinking water, for commercial and industrial uses, and for the generation of electricity. The water supply is maintained in a series of pools behind 14 dams that were originally constructed by the Army Corps of Engineers beginning about 1837. Some of those dams also contain working locks that allow commercial and recreational boat traffic to move up and down the river. The Authority collects a water withdrawal fee from each water utility and business user in the watershed that supports programs which benefit the entire watershed. In addition, a second fee is collected from users who withdraw water from the main stem of the river. Those funds support the lock and dam renovation and reconstruction projects the Authority undertakes from time to time. The Authority also receives a small General Fund appropriation to staff the four operating locks during the summer, when there is considerable recreational activity on the river.

The Authority is created in KRS 151.705 as a public corporation and independent state agency. The Authority is governed by a board that consists of the Secretary of Finance and Administration, the Secretary of Energy and Environment and ten members appointed by the Governor. Those ten include a mayor and a county judge-executive from jurisdictions within the Kentucky River Basin, an engineer and a water quality expert. The board appoints an executive director and other staff necessary to carry out the responsibilities of the Authority.

The Authority has acquired title to the locks and dams upriver from Frankfort from the Army Corps of Engineers. Dams 1 through 4 between the Ohio River and Frankfort are maintained by the Authority under a long-term lease agreement until such time as the Army declares them to be surplus property.

The Kentucky River Authority has built new dams at Dam 9 at Valley View in Fayette County, Dam 3 in Owen and Henry Counties, and Dam 8 in Jessamine County. Dams 9 and 3 retain the water supply for Kentucky American Water

Company's Lexington and Owen County water treatment plants. Dam 8 retains the water supply for Nicholasville and Lancaster. Locks 1 through 4 are currently operational. Eighty-two uninterrupted miles of the Kentucky River are now navigable from Carrollton to Tyrone in Anderson County.

General Government
School Facilities Construction Commission

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	134,918,000	129,925,400	130,502,600	129,286,000	127,846,700
Total General Fund	134,918,000	129,925,400	130,502,600	129,286,000	127,846,700
Restricted Funds					
Balance Forward	13,119,400	13,119,400	13,119,400	26,412,700	412,700
Non-Revenue Receipts	13,293,300				
Fund Transfers				-26,000,000	
Total Restricted Funds	26,412,700	13,119,400	13,119,400	412,700	412,700
TOTAL SOURCE OF FUNDS	161,330,700	143,044,800	143,622,000	129,698,700	128,259,400
EXPENDITURES BY CLASS					
Personnel Costs	333,700	358,900	367,900	355,100	360,100
Operating Expenses	40,000	38,900	38,900	38,800	38,800
Debt Service	134,544,300	129,527,600	130,095,800	128,892,100	127,447,800
TOTAL EXPENDITURES	134,918,000	129,925,400	130,502,600	129,286,000	127,846,700
EXPENDITURES BY FUND SOURCE					
General Fund	134,918,000	129,925,400	130,502,600	129,286,000	127,846,700
TOTAL EXPENDITURES	134,918,000	129,925,400	130,502,600	129,286,000	127,846,700
EXPENDITURES BY UNIT					
School Facilities Construction Commission	134,918,000	129,925,400	130,502,600	129,286,000	127,846,700
TOTAL EXPENDITURES	134,918,000	129,925,400	130,502,600	129,286,000	127,846,700

The School Facilities Construction Commission (SFCC), created by the 1985 Extraordinary Session of the General Assembly (KRS 157.611 et seq.), exists to assist local school districts with their school building needs. The Commission is responsible for the distribution of state funds via offers of assistance for approved building or renovation projects. The Commission is empowered to act on behalf of local school districts to issue bonds in the name of the Commission and to enter into lease arrangements with local boards of education to finance construction of new facilities or major renovation of existing school facilities.

Offers of assistance are made to eligible local school districts which have demonstrated a reasonable local effort to provide adequate school facilities but still have unmet building needs. Required local effort consists of a levy equivalent to at least five cents per hundred dollars of assessed valuation as well as available funds within a district's capital outlay and building funds and related bonding capacity. Unmet building needs are the costs of projects on a district's facilities plan as approved by the Kentucky Department of Education that remain after the application of local effort. A given district qualifies for offers of assistance based on its unmet need relative to unmet need statewide.

The School Facilities Construction Commission is also charged with distributing state funds allocated to the Kentucky Education Technology System's trust fund to assist local school districts in addressing their unmet education technology needs.

Policy

The Executive Budget includes additional General Fund to support debt service necessary to fulfill commitments made by previous sessions of the General Assembly in authorizing additional bonded indebtedness and related offers of assistance to local school districts.

The Executive Budget includes General Fund in the amount of \$1,117,000 in fiscal year 2018-2019 and \$4,654,100 in fiscal year 2019-2020 for debt service for \$58,000,000 in bonds to finance the offers of assistance authorized by the 2016 Regular Session of the General Assembly.

The Executive Budget authorizes the School Facilities Construction Commission to make an additional \$58,000,000 in new offers of assistance during the 2018-2020 biennium in anticipation of debt service availability during the 2020-2022 biennium.

The Executive Budget suspends the provisions of KRS 157.618 and transfers \$26,000,000 in fiscal year 2018-2019 from the Emergency and Targeted Investment Fund to the General Fund.

**General Government
Teachers' Retirement System**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	744,837,200	837,660,500	795,974,400	768,660,500	719,474,400
Total General Fund	744,837,200	837,660,500	795,974,400	768,660,500	719,474,400
Restricted Funds					
Balance Forward	5,025,589				
Non-Revenue Receipts	8,489,411	15,625,200	15,857,800	13,949,200	13,989,000
Total Restricted Funds	13,515,000	15,625,200	15,857,800	13,949,200	13,989,000
TOTAL SOURCE OF FUNDS	758,352,200	853,285,700	811,832,200	782,609,700	733,463,400
EXPENDITURES BY CLASS					
Personnel Costs	11,070,600	13,072,900	13,297,200	11,504,300	11,543,600
Operating Expenses	2,318,500	2,426,400	2,434,700	2,319,000	2,319,500
Grants Loans Benefits	647,689,200	758,794,500	735,396,000	689,794,500	658,896,000
Debt Service	97,148,000	78,866,000	60,578,400	78,866,000	60,578,400
Capital Outlay	125,900	125,900	125,900	125,900	125,900
TOTAL EXPENDITURES	758,352,200	853,285,700	811,832,200	782,609,700	733,463,400
EXPENDITURES BY FUND SOURCE					
General Fund	744,837,200	837,660,500	795,974,400	768,660,500	719,474,400
Restricted Funds	13,515,000	15,625,200	15,857,800	13,949,200	13,989,000
TOTAL EXPENDITURES	758,352,200	853,285,700	811,832,200	782,609,700	733,463,400
EXPENDITURES BY UNIT					
Teachers' Retirement System	758,352,200	853,285,700	811,832,200	782,609,700	733,463,400
TOTAL EXPENDITURES	758,352,200	853,285,700	811,832,200	782,609,700	733,463,400

The Teachers' Retirement System, as defined in KRS 161.220 161.716, was established in 1940 to provide a broad program of retirement benefits, death and survivor benefits, medical insurance benefits, and disability benefits to its membership.

Administration of the System is the responsibility of the nine member Board of Trustees. Two of the members, the Commissioner of Education and the State Treasurer, are ex officio, serving by reason of their constitutional offices. The members of the Retirement System elect the remaining seven trustees for four year terms. Four of these must be active members of the Retirement System, one must be a retired member, and two must be persons from outside the teaching profession. The Board of Trustees appoints an Executive Secretary who is responsible for the administration of the affairs of the Retirement System under policies established by the Board.

Membership is comprised of all persons occupying positions in the public elementary or secondary schools for which certification is required. In addition, staff members of Western Kentucky University, Eastern Kentucky University, Morehead State University, Murray State University, Kentucky State University, professional staff of the Department of Education, Cabinet for Workforce Development, faculty members of the School for the Deaf, the School for the Blind, as well as faculty of the state and area vocational schools are members. Membership is mandatory for all persons teaching in the public schools or other institutions covered by the statutes governing teachers' retirement.

Benefits are financed through member contributions, contributions by the state, and income accruing from the invested reserves of the system. The General Assembly has set the member contribution rate at 9.855 percent of gross salary for persons other than university faculty members joining the system prior to July 1, 2008. Persons joining on or after that date contribute 10.855 percent of gross salary. University faculty members who joined the system prior to July 1, 2008 contribute 8.375 percent of gross salary and their employer matches this amount. University faculty members joining on or after that date contribute 9.375 percent of gross salary with the employer matching that amount. In addition, each employer contributes an overmatch of 3.25 percent of gross salary to help reduce the system's unfunded liability. The reserves of the agency are invested in a manner that will provide a reasonable rate of return with major emphasis on the protection of the reserves.

HB 540 enacted by the 2010 Regular Session of the General Assembly required additional contributions to ensure the solvency and stability of the retirement system's medical insurance fund. Members hired prior to July 1, 2008 contribute an additional 3.0% and members hired July 1, 2008 or later contribute an additional 2.0% to the medical insurance fund. This brings the total member contributions for the medical insurance to 3.75% for all members.

The employer match for Department of Education, the Cabinet for Workforce Development, and university employees is budgeted within the Department, the Cabinet, and the affected universities and is then transferred to the Teachers' Retirement System.

Funding for the employer match on behalf of local school district members is provided as an adjunct to the Support Education Excellence in Kentucky program (SEEK) within the Department of Education.

Policy

The Executive Budget includes General Fund support in the amount of \$78,866,000 in fiscal year 2019 and \$60,578,400 in fiscal year 2020 for debt service on bonds previously issued.

The Executive Budget includes sufficient General Fund support to meet the amortized cost of previously enacted cost-of-living adjustments (COLAs) and other benefit improvements for system members.

The Executive Budget includes \$4,726,200 in fiscal year 2019 and \$9,552,200 in fiscal year 2020 in General Fund support for initial payments on the amortized cost of increased retirement allowances for those recipients retiring during the 2018-2020 biennium who are eligible to add accrued sick leave to their final year of service.

The Executive Budget fulfilled the General Assembly's 2014 pledge to use lesser debt service in the amount of \$18,282,000 in fiscal year 2019 and \$36,569,600 in fiscal year 2020 to reduce the unfunded pension liability.

The Executive Budget includes General Fund Support sufficient to fund the actuarially required contribution amount requested by the Teachers' Retirement System.

The Executive Budget does not include any General Fund Support for Retiree Health Insurance.

General Government
Appropriations Not Otherwise Classified

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,026,400	18,526,400	18,526,400	14,526,400	14,526,400
Mandated Allotments	12,000,000				
Total General Fund	17,026,400	18,526,400	18,526,400	14,526,400	14,526,400
TOTAL SOURCE OF FUNDS	17,026,400	18,526,400	18,526,400	14,526,400	14,526,400
EXPENDITURES BY CLASS					
Personnel Costs	14,639,900	14,639,900	14,639,900	12,139,900	12,139,900
Operating Expenses	2,383,400	3,883,400	3,883,400	2,383,400	2,383,400
Grants Loans Benefits	3,100	3,100	3,100	3,100	3,100
TOTAL EXPENDITURES	17,026,400	18,526,400	18,526,400	14,526,400	14,526,400
EXPENDITURES BY FUND SOURCE					
General Fund	17,026,400	18,526,400	18,526,400	14,526,400	14,526,400
TOTAL EXPENDITURES	17,026,400	18,526,400	18,526,400	14,526,400	14,526,400
EXPENDITURES BY UNIT					
Attorney General Expense	450,000	450,000	450,000	450,000	450,000
Board of Claims Award	200,000	200,000	200,000	200,000	200,000
Guardian Ad Litem	14,124,900	14,124,900	14,124,900	11,624,900	11,624,900
Prior Year Claims	100,000	100,000	100,000	100,000	100,000
Unredeemed Checks Refunded	1,252,400	2,752,400	2,752,400	1,252,400	1,252,400
Involuntary Commitments-ICF/MR	65,000	65,000	65,000	65,000	65,000
Frankfort In Lieu of Taxes	195,000	195,000	195,000	195,000	195,000
Frankfort Cemetery	3,100	3,100	3,100	3,100	3,100
Survivor Benefits	488,900	488,900	488,900	488,900	488,900
Med Malpractice Liability Ins Reimb	97,100	97,100	97,100	97,100	97,100
Blanket Employee Bonds	50,000	50,000	50,000	50,000	50,000
TOTAL EXPENDITURES	17,026,400	18,526,400	18,526,400	14,526,400	14,526,400

Appropriations Not Otherwise Classified (ANOC) are appropriations not related to particular programs. Each item within this category has been given program status so that expenditures can be budgeted and accounted for separately. It includes such items as Attorney General expenses for defending employees of the Commonwealth and prior year claims for legal obligations of the Commonwealth. Any expenditure for costs of items included within this classification over the amounts appropriated is to be paid from the General Fund Surplus account or the Budget Reserve Trust Fund.

Policy

The Executive Budget includes additional General Fund in the amount of \$9,500,000 in each fiscal year for the Guardian ad Litem program for costs that were previously considered a necessary government expense. Expenses that exceed this amount will be considered a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

General Government
KY Communications Network Authority

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		33,439,300	34,337,200	33,387,400	34,268,300
Current Year Appropriation	2,820,200				
Other	22,754,000				
Total General Fund	25,574,200	33,439,300	34,337,200	33,387,400	34,268,300
Restricted Funds					
Balance Forward	4,247,100				
Current Receipts		3,500,000	1,500,000	3,500,000	1,500,000
Non-Revenue Receipts	243,600				
Total Restricted Funds	4,490,700	3,500,000	1,500,000	3,500,000	1,500,000
Federal Fund					
Current Receipts	186,500				
Non-Revenue Receipts	-1,600				
Total Federal Fund	184,900				
TOTAL SOURCE OF FUNDS	30,249,800	36,939,300	35,837,200	36,887,400	35,768,300
EXPENDITURES BY CLASS					
Personnel Costs	2,923,300	3,567,100	3,608,900	3,514,300	3,543,900
Operating Expenses	24,526,900	30,827,200	31,183,300	30,828,100	31,179,400
Grants Loans Benefits	630,100				
Capital Outlay	2,169,500	2,545,000	1,045,000	2,545,000	1,045,000
TOTAL EXPENDITURES	30,249,800	36,939,300	35,837,200	36,887,400	35,768,300
EXPENDITURES BY FUND SOURCE					
General Fund	25,574,200	33,439,300	34,337,200	33,387,400	34,268,300
Restricted Funds	4,490,700	3,500,000	1,500,000	3,500,000	1,500,000
Federal Fund	184,900				
TOTAL EXPENDITURES	30,249,800	36,939,300	35,837,200	36,887,400	35,768,300
EXPENDITURES BY UNIT					
KY Communications Network Authority	28,793,600	36,939,300	35,837,200	36,887,400	35,768,300
Regional Strategic Development Funds	1,456,200				
TOTAL EXPENDITURES	30,249,800	36,939,300	35,837,200	36,887,400	35,768,300

Executive Order 2015-574 created the Kentucky Communications Network Authority (KCNA), now codified in KRS Chapter 154.15.

KCNA, in conjunction with the Board of the Kentucky Communications Network Authority, will manage and oversee the KentuckyWired network, the Commonwealth's open-access broadband network. KentuckyWired is a Commonwealth public infrastructure project that will be built to provide broadband service using a modern high-capacity fiber infrastructure. The primary purpose of the project will be to provide broadband services to all of the Commonwealth's agencies and its public postsecondary education institutions. The project is designed to have the capacity and ability to service other public sector organizations, like public libraries and public school districts. The network will be comprised of more than 3,000 miles of high-speed internet connectivity throughout Kentucky's 120 counties.

As authorized by the 2014-2016 Executive Branch appropriations act, a public-private partnership has been established to design, build, operate and maintain the network for 30 years. The partnership leverages private sector funding for most of the construction costs of the project. The Commonwealth will shift resources from payments for current services to pay for the new and substantially faster state-owned network. The Commonwealth retains ownership of the network.

KentuckyWired is unique in that it will be an "open access" network. This means cities, partnerships, private companies or other groups may acquire access to these "middle-mile" lines, but the network will not be providing "last mile" services, or the lines that run to individual homes or businesses.

Policy

Additional General Fund resources in the amount of \$2,820,200 are provided in fiscal year 2017-2018 to support the ongoing operations of the Kentucky Communications Network Authority. General Fund resources to support availability payments in fiscal year 2017-2018 are provided from the Finance and Administration Cabinet's Debt Service appropriation unit pursuant to the 2016-2018 biennial appropriations act. General Fund resources in fiscal years 2018-2019 and 2019-2020 are provided to fund both the Authority's ongoing operations and required availability payments.

Economic Development

Economic Development

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	18,031,200	25,248,800	25,456,800	28,386,300	29,434,800
Continuing Approp-General Fund	3,251,400				
Total General Fund	21,282,600	25,248,800	25,456,800	28,386,300	29,434,800
Restricted Funds					
Balance Forward	937,900	338,200	338,200	338,200	338,200
Current Receipts	2,413,600	2,888,800	2,950,000	2,888,800	2,950,000
Total Restricted Funds	3,351,500	3,227,000	3,288,200	3,227,000	3,288,200
Federal Fund					
Balance Forward	13,000				
Non-Revenue Receipts	440,900	397,500		397,500	
Total Federal Fund	453,900	397,500		397,500	
TOTAL SOURCE OF FUNDS	25,088,000	28,873,300	28,745,000	32,010,800	32,723,000
EXPENDITURES BY CLASS					
Personnel Costs	10,925,600	14,391,200	14,661,100	13,659,400	13,830,800
Operating Expenses	2,810,200	2,958,300	2,558,900	6,827,600	6,428,200
Grants Loans Benefits	11,014,000	11,185,600	11,186,800	11,185,600	11,186,800
Debt Service					939,000
TOTAL EXPENDITURES	24,749,800	28,535,100	28,406,800	31,672,600	32,384,800
EXPENDITURES BY FUND SOURCE					
General Fund	21,282,600	25,248,800	25,456,800	28,386,300	29,434,800
Restricted Funds	3,013,300	2,888,800	2,950,000	2,888,800	2,950,000
Federal Fund	453,900	397,500		397,500	
TOTAL EXPENDITURES	24,749,800	28,535,100	28,406,800	31,672,600	32,384,800
EXPENDITURES BY UNIT					
Economic Development	24,749,800	28,535,100	28,406,800	31,672,600	32,384,800
TOTAL EXPENDITURES	24,749,800	28,535,100	28,406,800	31,672,600	32,384,800

The Cabinet for Economic Development is governed by the Kentucky Economic Development Partnership. The Partnership board has 11 voting members and two non-voting members. The 11 voting members are the Governor, who is chairman, the Secretary of the Finance and Administration Cabinet, the Secretary of the Energy and Environment Cabinet, and eight citizen members appointed by the Governor who represent all sectors of the economic development community. The Secretary of the Cabinet for Economic Development (nominated by the Economic Development Partnership and appointed by the Governor) and the Secretary of the Tourism, Arts and Heritage Cabinet serve as non-voting members.

The budgetary resources for the Cabinet are organized in four programs within a single appropriation unit. Business Development is the Commonwealth's marketing and sales force to both prospective investors and existing businesses. Its resources include Kentucky-based business development agents and representatives in Tokyo, Japan and Hamburg, Germany; a database of available sites; comprehensive market research; targeted programs for small businesses; and support of the statewide network of Innovation and Commercialization Centers. The Bluegrass State Skills Corporation makes matching grants for industry-specific training of employees. Financial Services administers loans, grants and tax incentives available to businesses that invest and create or maintain jobs in Kentucky, and staffs the Kentucky Economic Development Finance Authority. The Office of the Secretary provides strategic direction for Cabinet activities and administrative services such as legal, fiscal, budget, personnel and asset management.

Policy

The Executive Budget includes General Fund of \$4,000,000 in fiscal year 2018-2019 and \$4,000,000 in fiscal year 2019-2020 for training grants for Bluegrass State Skills Corporation. Notwithstanding KRS 45.229, the General Fund appropriation balance for Bluegrass State Skills Corporation training grants for fiscal year 2017-2018 and fiscal year 2018-2019 shall not lapse and shall carry forward.

The Executive Budget includes General Fund debt service in the amount of \$939,000 in fiscal year 2019-2020 for debt service on new bonds included in the capital budget.

Notwithstanding KRS 164.6011 to KRS 164.6041 the Executive Budget authorizes the Cabinet for Economic Development to carry out provisions of KRS 164.6011 to KRS 164.6041. Included in the General Fund is \$5,112,300 in each fiscal year to carry out the Science and Technology program.

Department of Education

Department of Education

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,121,630,500	4,564,134,600	4,569,276,500	3,893,183,200	3,893,239,600
Continuing Approp-General Fund	12,090,700				
Budget Reduction-General Fund	-20,522,100				
Total General Fund	4,113,199,100	4,564,134,600	4,569,276,500	3,893,183,200	3,893,239,600
Tobacco Fund					
Tobacco Settlement - Phase I				1,300,000	1,300,000
Total Tobacco Fund				1,300,000	1,300,000
Restricted Funds					
Balance Forward	7,216,915				
Current Receipts	34,471,985	21,286,600	21,292,800	42,213,600	42,446,600
Non-Revenue Receipts		20,927,000	21,153,800		
Total Restricted Funds	41,688,900	42,213,600	42,446,600	42,213,600	42,446,600
Federal Fund					
Current Receipts	948,493,100	948,822,500	948,934,400	948,822,500	948,934,400
Total Federal Fund	948,493,100	948,822,500	948,934,400	948,822,500	948,934,400
TOTAL SOURCE OF FUNDS	5,103,381,100	5,555,170,700	5,560,657,500	4,885,519,300	4,885,920,600
EXPENDITURES BY CLASS					
Personnel Costs	116,235,800	137,744,600	138,357,500	116,154,700	116,543,500
Operating Expenses	40,103,300	46,503,500	46,400,300	37,569,200	37,704,800
Grants Loans Benefits	4,925,338,400	5,370,922,600	5,375,899,700	4,731,795,400	4,731,672,300
TOTAL EXPENDITURES	5,081,677,500	5,555,170,700	5,560,657,500	4,885,519,300	4,885,920,600
EXPENDITURES BY FUND SOURCE					
General Fund	4,091,495,500	4,564,134,600	4,569,276,500	3,893,183,200	3,893,239,600
Tobacco Fund				1,300,000	1,300,000
Restricted Funds	41,688,900	42,213,600	42,446,600	42,213,600	42,446,600
Federal Fund	948,493,100	948,822,500	948,934,400	948,822,500	948,934,400
TOTAL EXPENDITURES	5,081,677,500	5,555,170,700	5,560,657,500	4,885,519,300	4,885,920,600
EXPENDITURES BY UNIT					
Support Education Excellence in Kentucky (SEEK)	3,015,599,200	3,343,804,300	3,334,815,000	2,899,573,700	2,899,367,900
Operations and Support Services	451,913,000	459,808,100	460,097,200	451,164,900	451,293,300
Learning and Results Services	1,614,165,300	1,751,558,300	1,765,745,300	1,534,780,700	1,535,259,400
TOTAL EXPENDITURES	5,081,677,500	5,555,170,700	5,560,657,500	4,885,519,300	4,885,920,600

In enacting the Kentucky Education Reform Act (KERA), the 1990 General Assembly provided for a reconstituted Department of Education to implement KERA along with existing programs. In accordance with KRS 156.148, the Department of Education is headed by a Commissioner of Education appointed by the Kentucky Board of Education.

Department of Education
Support Education Excellence in Kentucky (SEEK)

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,024,776,100	3,343,804,300	3,334,815,000	2,899,573,700	2,899,367,900
Continuing Approp-General Fund	10,776,700				
Total General Fund	3,035,552,800	3,343,804,300	3,334,815,000	2,899,573,700	2,899,367,900
TOTAL SOURCE OF FUNDS	3,035,552,800	3,343,804,300	3,334,815,000	2,899,573,700	2,899,367,900
EXPENDITURES BY CLASS					
Grants Loans Benefits	3,015,599,200	3,343,804,300	3,334,815,000	2,899,573,700	2,899,367,900
TOTAL EXPENDITURES	3,015,599,200	3,343,804,300	3,334,815,000	2,899,573,700	2,899,367,900
EXPENDITURES BY FUND SOURCE					
General Fund	3,015,599,200	3,343,804,300	3,334,815,000	2,899,573,700	2,899,367,900
TOTAL EXPENDITURES	3,015,599,200	3,343,804,300	3,334,815,000	2,899,573,700	2,899,367,900
EXPENDITURES BY UNIT					
Base Funding	2,070,081,900	2,237,064,900	2,225,586,700	2,065,477,600	2,054,139,300
Pupil Transportation	225,529,500	347,786,800	347,786,800	86,946,700	86,946,700
Equalized Facilities	124,345,100	143,207,700	139,842,300	143,207,700	139,842,300
Tier I Equalization	170,111,400	179,196,100	175,950,400	179,196,100	175,950,400
National Board Certification Salary Supplement	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000
State-Run Vocational Schools Reimbursement	22,881,900	22,881,900	22,881,900	22,881,900	22,881,900
Vocational Education Transportation	2,416,900	2,416,900	2,416,900	2,416,900	2,416,900
Local District Teachers' Retirement Match	397,482,500	408,500,000	417,600,000	396,696,800	414,440,400
TOTAL EXPENDITURES	3,015,599,200	3,343,804,300	3,334,815,000	2,899,573,700	2,899,367,900

Policy

The Executive Budget provides funding to accommodate a projected average daily attendance of 600,992 in fiscal year 2018-2019 and 601,359 in fiscal year 2019-2020. The base SEEK per pupil guarantee amount is \$3,981 in each fiscal year. The projected total local school district assessed property valuation is \$334.2 billion in fiscal year 2018-2019 and \$342.5 billion in fiscal year 2019-2020. Projected numbers represent a consensus reached by the Department of Education and the Office of State Budget Director.

The Executive Budget provides funding of \$86,946,700 in each fiscal year for the pupil transportation program. The budget includes \$179,196,100 in fiscal year 2018-2019 and \$175,950,400 in fiscal year 2019-2020 to provide Tier I funding to local school districts to equalize local revenues raised under this SEEK component at a level of \$834,000 of assessed property valuation per student (150 percent of the projected statewide average per pupil during the 2018-2020 biennium).

The Executive Budget provides funding for the Facilities Support Program of Kentucky (FSPK) in the amounts of \$143,207,700 in fiscal year 2018-2019 and \$139,842,300 in fiscal year 2019-2020 to provide equalization funding for local district revenues from the equivalent nickel levy.

The Executive Budget includes \$22,881,900 in each fiscal year to reimburse state-operated vocational facilities for the costs of providing course offerings to students from local school districts. Funding for vocational education transportation is maintained at the fiscal year 2017-2018 level of \$2,416,900 in fiscal year 2018-2019 and fiscal year 2019-2020.

The Executive Budget includes funds \$396,696,800 in fiscal year 2018-2019 and \$414,440,400 in fiscal year 2019-2020 for the Teachers' Retirement employer match on behalf of local school districts.

The Executive Budget provides \$2,750,000 in each fiscal year for annual salary supplements to teachers achieving and maintaining certification by the National Board for Professional Teaching Standards.

Not less than \$19,953,600 of unexpended SEEK funds in fiscal year 2017-2018 shall lapse. The Executive Budget does not include any General Fund Support for Retiree Health Insurance.

Department of Education
Operations and Support Services

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	57,628,800	63,274,300	63,517,600	54,631,100	54,713,700
Continuing Approp-General Fund	609,600				
Budget Reduction-General Fund	-943,300				
Total General Fund	57,295,100	63,274,300	63,517,600	54,631,100	54,713,700
Restricted Funds					
Balance Forward	1,718,857				
Current Receipts	5,682,643	7,065,100	7,065,100	7,401,500	7,401,500
Non-Revenue Receipts		336,400	336,400		
Total Restricted Funds	7,401,500	7,401,500	7,401,500	7,401,500	7,401,500
Federal Fund					
Current Receipts	388,966,400	389,132,300	389,178,100	389,132,300	389,178,100
Total Federal Fund	388,966,400	389,132,300	389,178,100	389,132,300	389,178,100
TOTAL SOURCE OF FUNDS	453,663,000	459,808,100	460,097,200	451,164,900	451,293,300
EXPENDITURES BY CLASS					
Personnel Costs	19,718,800	22,046,000	22,326,000	19,387,300	19,517,800
Operating Expenses	22,905,000	23,112,100	23,123,900	21,811,100	21,811,700
Grants Loans Benefits	409,289,200	414,650,000	414,647,300	409,966,500	409,963,800
TOTAL EXPENDITURES	451,913,000	459,808,100	460,097,200	451,164,900	451,293,300
EXPENDITURES BY FUND SOURCE					
General Fund	55,545,100	63,274,300	63,517,600	54,631,100	54,713,700
Restricted Funds	7,401,500	7,401,500	7,401,500	7,401,500	7,401,500
Federal Fund	388,966,400	389,132,300	389,178,100	389,132,300	389,178,100
TOTAL EXPENDITURES	451,913,000	459,808,100	460,097,200	451,164,900	451,293,300
EXPENDITURES BY UNIT					
Commissioner's Office/Board of Education	775,800	989,700	1,004,500	925,100	930,100
Administration and Support	410,576,400	411,484,100	411,691,300	410,250,000	410,336,700
Guiding Support Services	1,909,300	2,461,600	2,513,000	1,911,600	1,922,700
Knowledge, Information and Data Services	38,651,500	44,872,700	44,888,400	38,078,200	38,103,800
TOTAL EXPENDITURES	451,913,000	459,808,100	460,097,200	451,164,900	451,293,300

The Operations and Support Services program area consists of the Office of Finance and Operations; the Office of Education Technology; the Office of Legal, Legislative and Communication Services; Commissioner of Education, and the Kentucky Board of Education.

**Department of Education
Operations and Support Services
Commissioner's Office/Board of Education**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	931,100	989,700	1,004,500	925,100	930,100
Budget Reduction-General Fund	-155,300				
Total General Fund	775,800	989,700	1,004,500	925,100	930,100
TOTAL SOURCE OF FUNDS	775,800	989,700	1,004,500	925,100	930,100
EXPENDITURES BY CLASS					
Personnel Costs	760,400	972,000	986,800	907,400	912,400
Operating Expenses	15,400	17,700	17,700	17,700	17,700
TOTAL EXPENDITURES	775,800	989,700	1,004,500	925,100	930,100
EXPENDITURES BY FUND SOURCE					
General Fund	775,800	989,700	1,004,500	925,100	930,100
TOTAL EXPENDITURES	775,800	989,700	1,004,500	925,100	930,100

The 1990 General Assembly, as part of the Kentucky Education Reform Act (KERA), provided in KRS 156.148 for the appointment of a Commissioner of Education by the Kentucky Board of Education to serve as the chief state school officer.

As part of the same legislation, the General Assembly, in KRS 156.029, created a Kentucky Board of Education. The board has 12 members. The governor appoints eleven voting members, seven representing the Supreme Court districts and four representing the state at large. These eleven voting members must be confirmed by the legislature. The additional member, the president of the Council on Postsecondary Education, serves as a non-voting member. Board members serve four-year terms and may be reappointed. Overall policy regarding public elementary and secondary education in Kentucky is set by the Kentucky Board of Education within the legal framework established by the General Assembly.

The Commissioner of Education's qualifications and compensation are set by the Kentucky Board of Education. The Commissioner serves at the pleasure of the Board. The Commissioner is responsible for carrying out all duties assigned by the legislature; for executing education policy as directed by the State Board; and directing the work of all persons employed by the Department of Education.

**Department of Education
Operations and Support Services
Administration and Support**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	14,280,300	15,055,200	15,216,600	13,821,100	13,862,000
Continuing Approp-General Fund	609,600				
Budget Reduction-General Fund	-576,500				
Total General Fund	14,313,400	15,055,200	15,216,600	13,821,100	13,862,000
Restricted Funds					
Balance Forward	1,718,388				
Current Receipts	5,578,212	6,960,200	6,960,200	7,296,600	7,296,600
Non-Revenue Receipts		336,400	336,400		
Total Restricted Funds	7,296,600	7,296,600	7,296,600	7,296,600	7,296,600
Federal Fund					
Current Receipts	388,966,400	389,132,300	389,178,100	389,132,300	389,178,100
Total Federal Fund	388,966,400	389,132,300	389,178,100	389,132,300	389,178,100
TOTAL SOURCE OF FUNDS	410,576,400	411,484,100	411,691,300	410,250,000	410,336,700
EXPENDITURES BY CLASS					
Personnel Costs	14,196,800	14,618,500	14,822,300	13,426,800	13,516,200
Operating Expenses	4,164,900	4,290,100	4,296,200	4,247,700	4,247,700
Grants Loans Benefits	392,214,700	392,575,500	392,572,800	392,575,500	392,572,800
TOTAL EXPENDITURES	410,576,400	411,484,100	411,691,300	410,250,000	410,336,700
EXPENDITURES BY FUND SOURCE					
General Fund	14,313,400	15,055,200	15,216,600	13,821,100	13,862,000
Restricted Funds	7,296,600	7,296,600	7,296,600	7,296,600	7,296,600
Federal Fund	388,966,400	389,132,300	389,178,100	389,132,300	389,178,100
TOTAL EXPENDITURES	410,576,400	411,484,100	411,691,300	410,250,000	410,336,700
EXPENDITURES BY UNIT					
Administration & Resource Management	11,261,000	12,383,600	12,489,100	11,751,300	11,773,700
District Support	6,431,700	6,050,900	6,106,800	5,677,800	5,695,200
School & Community Nutrition	392,883,700	393,049,600	393,095,400	392,820,900	392,867,800
TOTAL EXPENDITURES	410,576,400	411,484,100	411,691,300	410,250,000	410,336,700

The Office of Finance and Administration consists of the following divisions: the Division of Budget and Financial Management, the Division of District Support, the Division of Resource Management, and the Division of School and Community Nutrition.

The Division of Budget and Financial Management supervises the department's annual and biennial budget creation, budget analysis and forecasting, expenditure authorizations, personnel approvals, and allotment as well as appropriation adjustments. The Division also supervises expenditure and accounting transactions, purchasing and document preparation, and pre-audit functions. The Division serves as agency liaison with the Auditor of Public Accounts, the Finance and Administration Cabinet, the Office of State Budget Director, and the Legislative Research Commission budget staff.

The Division of District Support distributes state SEEK funds to local school districts and provides districts with assistance on salary schedules, data management, facility management, and budgeting. Staff of the Division work with various Department of Education, Council for Postsecondary Education, and Professional Standards Board program areas in analyzing data and determining requirements for data entered in the Department's enterprise data system. The Division also reviews local school district facility plans and compiles information on school district construction needs for the School Facilities Construction Commission.

The Division of Resource Management provides personnel and payroll services to Department staff. These services

include the administration of the state merit system, Family Medical Leave Act, Workers' Compensation, sick leave sharing, tuition assistance, employee training, Fair Labor Standards Act, Americans with Disabilities Act, and all other related employment laws and regulations.

The Division of School and Community Nutrition oversees the administration of the following National School Lunch Act and Child Nutrition Act programs in local school districts and other eligible agencies: National School Lunch program, School Breakfast program, Special Milk program, Child Care Food program, Summer Food Service program, and the Nutrition Education and Training program.

**Department of Education
Operations and Support Services
Guiding Support Services**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,804,400	2,356,700	2,408,100	1,806,700	1,817,800
Total General Fund	1,804,400	2,356,700	2,408,100	1,806,700	1,817,800
Restricted Funds					
Balance Forward	469				
Current Receipts	104,431	104,900	104,900	104,900	104,900
Total Restricted Funds	104,900	104,900	104,900	104,900	104,900
TOTAL SOURCE OF FUNDS	1,909,300	2,461,600	2,513,000	1,911,600	1,922,700
EXPENDITURES BY CLASS					
Personnel Costs	1,889,300	2,386,500	2,432,800	1,891,600	1,902,700
Operating Expenses	20,000	75,100	80,200	20,000	20,000
TOTAL EXPENDITURES	1,909,300	2,461,600	2,513,000	1,911,600	1,922,700
EXPENDITURES BY FUND SOURCE					
General Fund	1,804,400	2,356,700	2,408,100	1,806,700	1,817,800
Restricted Funds	104,900	104,900	104,900	104,900	104,900
TOTAL EXPENDITURES	1,909,300	2,461,600	2,513,000	1,911,600	1,922,700

The Office of Legal, Legislative and Communication Services provides a variety of legal, legislative, and communication services for the Department of Education. These services include: providing in-house counsel and advice for the Department and the Kentucky Board of Education; representing the Department and the Kentucky Board of Education before administrative agencies and courts of law; offering informal legal advice to local school districts and the general public; overseeing news media relations for the Commissioner and the Department of Education; creating print and electronic publications; providing photographic services for the Department, and maintaining the Department of Education's website.

**Department of Education
Operations and Support Services
Knowledge, Information and Data Services**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	40,613,000	44,872,700	44,888,400	38,078,200	38,103,800
Budget Reduction-General Fund	-211,500				
Total General Fund	40,401,500	44,872,700	44,888,400	38,078,200	38,103,800
TOTAL SOURCE OF FUNDS	40,401,500	44,872,700	44,888,400	38,078,200	38,103,800
EXPENDITURES BY CLASS					
Personnel Costs	2,872,300	4,069,000	4,084,100	3,161,500	3,186,500
Operating Expenses	18,704,700	18,729,200	18,729,800	17,525,700	17,526,300
Grants Loans Benefits	17,074,500	22,074,500	22,074,500	17,391,000	17,391,000
TOTAL EXPENDITURES	38,651,500	44,872,700	44,888,400	38,078,200	38,103,800
EXPENDITURES BY FUND SOURCE					
General Fund	38,651,500	44,872,700	44,888,400	38,078,200	38,103,800
TOTAL EXPENDITURES	38,651,500	44,872,700	44,888,400	38,078,200	38,103,800

The Office of Education Technology (OET) provides planning, administration, and quality assurance for the Kentucky Education Technology System (KETS). OET consists of four areas: the Division of School Technology Services; the Division of School Technology Planning and Project Management; the Division of School Data Services, and KETS Field Services.

The Division of School Technology Planning and Project Management develops and implements the KETS Master Plan, oversees the KETS Offers of Assistance program, and manages the Kentucky Education Network (KEN).

The KETS Offers of Assistance program provides school districts with state funds for education technology purchases. The Division of Engineering and Management determines which districts are eligible to receive KETS offers of assistance and submits this information to the School Facilities Construction Commission (SFCC). The SFCC distributes KETS offers of assistance to eligible districts based on each district's average daily attendance. School districts must spend the offers on appropriate education technology items or services and the districts are required to match funds dollar for dollar.

KEN is the wide-area-network that provides high speed network connectivity and Internet access to Kentucky school districts, the Kentucky School for the Blind, the Kentucky School for the Deaf, and the Department of Education.

The Division of School Technology Services manages the technical support Customer Service Center, oversees school networking, messaging and security services as well as supports the School District Financial Management System (MUNIS) and other systems,

The Division of School Data Services manages the Kentucky Student Information System (KSIS), Department of Education Enterprise Data Dictionary, and master reporting schedule. The Division is also responsible for handling systematic data quality issues that cross all agency and district data systems.

KETS Field Services interact directly with District Technology Coordinators and school district technical staff to support the Student Technology Leadership Program (STLP), Microsoft IT Academy and other education technology programs.

STLP is an education technology program focused on project-based learning to empower students in all grade levels to use technology.

The Microsoft IT Academy is an educational technology program that prepares educators and students for industry recognized certifications.

**Department of Education
Learning and Results Services**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,039,225,600	1,157,056,000	1,170,943,900	938,978,400	939,158,000
Continuing Approp-General Fund	704,400				
Budget Reduction-General Fund	-19,578,800				
Total General Fund	1,020,351,200	1,157,056,000	1,170,943,900	938,978,400	939,158,000
Tobacco Fund					
Tobacco Settlement - Phase I				1,300,000	1,300,000
Total Tobacco Fund				1,300,000	1,300,000
Restricted Funds					
Balance Forward	5,498,058				
Current Receipts	28,789,342	14,221,500	14,227,700	34,812,100	35,045,100
Non-Revenue Receipts		20,590,600	20,817,400		
Total Restricted Funds	34,287,400	34,812,100	35,045,100	34,812,100	35,045,100
Federal Fund					
Current Receipts	559,526,700	559,690,200	559,756,300	559,690,200	559,756,300
Total Federal Fund	559,526,700	559,690,200	559,756,300	559,690,200	559,756,300
TOTAL SOURCE OF FUNDS	1,614,165,300	1,751,558,300	1,765,745,300	1,534,780,700	1,535,259,400
EXPENDITURES BY CLASS					
Personnel Costs	96,517,000	115,698,600	116,031,500	96,767,400	97,025,700
Operating Expenses	17,198,300	23,391,400	23,276,400	15,758,100	15,893,100
Grants Loans Benefits	1,500,450,000	1,612,468,300	1,626,437,400	1,422,255,200	1,422,340,600
TOTAL EXPENDITURES	1,614,165,300	1,751,558,300	1,765,745,300	1,534,780,700	1,535,259,400
EXPENDITURES BY FUND SOURCE					
General Fund	1,020,351,200	1,157,056,000	1,170,943,900	938,978,400	939,158,000
Tobacco Fund				1,300,000	1,300,000
Restricted Funds	34,287,400	34,812,100	35,045,100	34,812,100	35,045,100
Federal Fund	559,526,700	559,690,200	559,756,300	559,690,200	559,756,300
TOTAL EXPENDITURES	1,614,165,300	1,751,558,300	1,765,745,300	1,534,780,700	1,535,259,400
EXPENDITURES BY UNIT					
Next Generation Schools	320,120,700	321,299,200	321,372,900	317,158,100	317,192,900
Next Generation Learners	473,107,100	570,151,300	569,870,800	441,650,900	441,705,600
Assessment and Accountability	23,539,500	40,024,000	39,354,000	22,820,900	22,826,600
State Schools	18,189,400	20,158,300	20,424,800	18,418,100	18,520,500
Career & Technical Education	82,961,100	89,753,000	90,346,800	82,000,700	82,281,800
Local District Health Insurance	696,247,500	710,172,500	724,376,000	652,732,000	652,732,000
TOTAL EXPENDITURES	1,614,165,300	1,751,558,300	1,765,745,300	1,534,780,700	1,535,259,400

The Learning and Results Services program area consists of the following offices: Office of Assessment and Accountability; Office of Teaching and Learning; Office of Continuous Improvement and Support, and Office of Career and Technical Education.

**Department of Education
Learning and Results Services
Next Generation Schools**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,717,800	7,350,500	7,398,700	3,209,400	3,218,700
Budget Reduction-General Fund	-471,600				
Total General Fund	6,246,200	7,350,500	7,398,700	3,209,400	3,218,700
Restricted Funds					
Balance Forward	684,962				
Current Receipts	-79,962	605,000	605,000	605,000	605,000
Total Restricted Funds	605,000	605,000	605,000	605,000	605,000
Federal Fund					
Current Receipts	313,269,500	313,343,700	313,369,200	313,343,700	313,369,200
Total Federal Fund	313,269,500	313,343,700	313,369,200	313,343,700	313,369,200
TOTAL SOURCE OF FUNDS	320,120,700	321,299,200	321,372,900	317,158,100	317,192,900
EXPENDITURES BY CLASS					
Personnel Costs	4,970,500	5,419,300	5,493,000	5,251,100	5,269,500
Operating Expenses	1,563,700	1,565,200	1,565,200	1,481,900	1,481,900
Grants Loans Benefits	313,586,500	314,314,700	314,314,700	310,425,100	310,441,500
TOTAL EXPENDITURES	320,120,700	321,299,200	321,372,900	317,158,100	317,192,900
EXPENDITURES BY FUND SOURCE					
General Fund	6,246,200	7,350,500	7,398,700	3,209,400	3,218,700
Restricted Funds	605,000	605,000	605,000	605,000	605,000
Federal Fund	313,269,500	313,343,700	313,369,200	313,343,700	313,369,200
TOTAL EXPENDITURES	320,120,700	321,299,200	321,372,900	317,158,100	317,192,900
EXPENDITURES BY UNIT					
Consolidated Plans & Audits	270,000,000	270,072,800	270,095,100	270,072,800	270,095,100
Federal Programs & Educator Effectiveness	39,961,400	40,283,400	40,298,600	38,854,400	38,856,600
Next Generation Schools	10,159,300	10,943,000	10,979,200	8,230,900	8,241,200
TOTAL EXPENDITURES	320,120,700	321,299,200	321,372,900	317,158,100	317,192,900

The Office of Continuous Improvement and Support consists of three divisions: the Division of Consolidated Plans and Audits, the Division of Student Success, and the Division of Innovation and Partner Engagement.

The Division of Consolidated Plans and Audits implements and monitors the following federal and state programs: School-Based Decision-Making councils, ESEA No Child Left Behind Act (P.L. 107-110); Title I, Parts A (Improving the Academic Achievement of the Disadvantaged), C (Education of Migrant Children), D (Programs for Children and Youth who are Neglected and Delinquent), F (Comprehensive School Reform), and the Stewart B. McKinney Homeless Assistance Act for the Education of Homeless Children and Youth. The Division also provides assistance to school districts and parents on closing the achievement gap and assuring instructional equity for students.

The Division of Student Success provides guidance and assistance to Kentucky Alternative Education programs and ensures continuous improvement in instruction, practices and curriculum to help all Kentucky students to be college and career ready. The Division also provides assistance on developing and implementing digital learning, school safety, bullying prevention, and achievement gap reduction programs.

The Division of Innovation and Partner Engagement implements and oversees Kentucky's Districts of Innovation as well as assists and monitors nontraditional instruction.

Policy

The Executive Budget provides no funding for the Virtual Learning program and Teacher Quality and Diversity program.

Notwithstanding KRS 158.805, the Executive Budget provides no funding for the Commonwealth School Improvement Fund program.

**Department of Education
Learning and Results Services
Next Generation Learners**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	264,888,700	344,185,400	343,863,800	214,385,000	214,398,600
Continuing Approp-General Fund	704,400				
Budget Reduction-General Fund	-18,361,100				
Total General Fund	247,232,000	344,185,400	343,863,800	214,385,000	214,398,600
Tobacco Fund					
Tobacco Settlement - Phase I				1,300,000	1,300,000
Total Tobacco Fund				1,300,000	1,300,000
Restricted Funds					
Balance Forward	1,058,976				
Current Receipts	5,558,924	6,621,600	6,627,800	6,621,600	6,627,800
Total Restricted Funds	6,617,900	6,621,600	6,627,800	6,621,600	6,627,800
Federal Fund					
Current Receipts	219,257,200	219,344,300	219,379,200	219,344,300	219,379,200
Total Federal Fund	219,257,200	219,344,300	219,379,200	219,344,300	219,379,200
TOTAL SOURCE OF FUNDS	473,107,100	570,151,300	569,870,800	441,650,900	441,705,600
EXPENDITURES BY CLASS					
Personnel Costs	10,247,300	10,788,900	10,875,400	10,806,100	10,860,800
Operating Expenses	2,996,300	3,117,200	3,002,200	2,557,300	2,692,300
Grants Loans Benefits	459,863,500	556,245,200	555,993,200	428,287,500	428,152,500
TOTAL EXPENDITURES	473,107,100	570,151,300	569,870,800	441,650,900	441,705,600
EXPENDITURES BY FUND SOURCE					
General Fund	247,232,000	344,185,400	343,863,800	214,385,000	214,398,600
Tobacco Fund				1,300,000	1,300,000
Restricted Funds	6,617,900	6,621,600	6,627,800	6,621,600	6,627,800
Federal Fund	219,257,200	219,344,300	219,379,200	219,344,300	219,379,200
TOTAL EXPENDITURES	473,107,100	570,151,300	569,870,800	441,650,900	441,705,600

The Office of Teaching and Learning consists of the Division of Program Standards, the Division of Learning Services and the Division of Next Generation Professionals. This Office oversees several educational programs and funds.

Career and Technical Education Programs assist middle schools, high schools, and locally-operated career centers in developing and implementing career readiness services. Career and Technical Education service areas include Perkins Accountability, High Schools That Work, Tech Prep and high school reform as well as five statewide student organizations. The Kentucky FFA Leadership Training Center at Hardinsburg is also part of Career and Technical Education program.

Community Education & Service Programs work with public schools to promote individual and community development and lifelong learning. Community Education programs also serve as the delivery system for federal Learn and Serve grants.

The **Kentucky Educational Collaborative for State Agency Children (KECSAC) Program** provides school districts with high-quality educational support services to at risk youth through a collaborative delivery system involving the Kentucky Departments of Education, Juvenile Justice, Community Based Services, Mental Health, Developmental Disabilities and Addiction Services, as well as private and public child and youth care programs.

The **Extended Learning Services or Extended School Services (ESS) Fund** was established by KRS 158.070 to provide struggling learners with additional instructional time and assistance to achieve their learning goals. The program offers instructional time outside regular school hours and takes many forms including after-school and before-school instruction, evening sessions, Saturday learning activities, summer programs, and learning inter-sessions in year-round schools.

Family Resource and Youth Services Centers (FRYSCs) Programs were established by the Kentucky Education Reform Act (KERA) of 1990. The goal of FRYSCs is to address the needs of children and their families residing in the area served by the school in which a center is located. Family Resource Centers serve children in elementary schools while Youth Services Centers serve children in middle and high schools. Each center contains a unique blend of program components depending on location, available resource, local need, and community input.

The **Gifted and Talented Fund** provides support to school districts for educational services to students who are gifted and talented.

The **Division of Learning Services** provides schools with assistance in the development and implementation of services for children and youth with disabilities, including services associated with the federal Individuals with Disabilities Education Act. Program areas include Individuals with Disabilities Education, Preschool Special Education, and Special Education Program Improvement.

Local District Life Insurance Fund for full-time qualified school district employees are mandated by KRS 18A.226, KRS 161.158, and 702 KAR 1:035. Funds in this program are used to pay on behalf of school districts the employer's portion of the premiums to the Personnel Cabinet.

The **Mathematics Achievement Fund** provides two-year renewable grants to local school districts for training teachers in diagnostic assessment and intervention skills. To qualify, a district must employ standards-based and research-based math instructional practices, use intervention and support services to supplement regular classroom instruction, and provide intervention services to primary program and other students at risk of mathematics failure based on ongoing assessments of their needs.

Next Generation Learners Programs consist of a variety of grant programs. Included in this area are: the Collaborative Center for Literacy Development; Save the Children; Elementary Arts and Humanities/World Language; Middle School Center; Writing Program; Teacher Academies; Leadership and Mentor Fund; Professional Development; Safe Schools; Georgia Chaffee Teenage Parent Program (TAPP); Appalachian Tutoring Program, Lexington Hearing & Speech Center; Heuser Hearing and Language Academy; Visually Impaired Preschool Services; Teach for America and Advance Kentucky.

The **Office of Teaching and Learning** oversees the Division of Learning Services, the Division of Program Standards, and the Division of Next Generation Professionals.

The **Preschool Fund** provides grants to local school districts for the education of four-year-old children whose families meet qualifying poverty guidelines as well as three and four-year-old children with developmental delays or other disabilities.

The **Teachers' Professional Growth Fund** provides teachers with opportunities for high quality professional development in content knowledge and teaching methodologies in the core disciplines of mathematics, science, language arts and social studies.

The **Division of Program Standards** assist districts design and implement curriculum based on new academic standards. The Division is working with districts to implement the newly established standards for English Language Arts and Mathematics. The Division is also working with national development teams on standards for Science and Social Studies

The **Read to Achieve Fund** provides grants to schools to implement research-based reading diagnostic and intervention programs for struggling readers within the state primary program. The early reading intervention program selected by the funded school must be based on reliable, replicable research and offer short-term intensive one-on-one or small group instruction in essential skills necessary for reading proficiency.

The **Instructional Resources/Textbook Fund** provides support to local school districts to obtain instructional material for students in kindergarten through eighth grades.

Policy

The Executive Budget provides no funding for the Appalachian Tutoring program, Georgia Chaffee Teenage Parent program, Lexington Hearing and Speech Center program, Heuser Hearing and Speech program, Instructional Materials/Textbook program, and Teach for America program.

Notwithstanding KRS 156.095, the Executive Budget provides no funding for the Professional Development program.

Notwithstanding KRS 164.0207, the Executive Budget provides no funding for the Collaborative Center for Literacy Development program.

Notwithstanding KRS 157.390, the Executive Budget provides no funding for the Leadership and Mentoring program.

Notwithstanding KRS 156.555, the Executive Budget provides no funding for the Middle School Academic Achievement Center program.

Notwithstanding KRS 156.095(10), the Executive Budget provides no funding for the Teacher Academies program.

Notwithstanding KRS 158.770 and KRS 158.775, the Executive Budget provides no funding for the Writing program.

Notwithstanding KRS 156.553, the Executive Budget provides no funding for the Teacher's Professional Growth program.

The Executive Budget includes Phase I Tobacco Settlement Funds in the amount of \$1,300,000 each fiscal year for the Save the Children program.

**Department of Education
Learning and Results Services
Assessment and Accountability**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	14,679,000	31,024,000	30,354,000	13,820,900	13,826,600
Budget Reduction-General Fund	-139,500				
Total General Fund	14,539,500	31,024,000	30,354,000	13,820,900	13,826,600
Federal Fund					
Current Receipts	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
Total Federal Fund	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
TOTAL SOURCE OF FUNDS	23,539,500	40,024,000	39,354,000	22,820,900	22,826,600
EXPENDITURES BY CLASS					
Personnel Costs	23,084,000	33,564,000	32,894,000	22,360,900	22,366,600
Operating Expenses	455,500	6,460,000	6,460,000	460,000	460,000
TOTAL EXPENDITURES	23,539,500	40,024,000	39,354,000	22,820,900	22,826,600
EXPENDITURES BY FUND SOURCE					
General Fund	14,539,500	31,024,000	30,354,000	13,820,900	13,826,600
Federal Fund	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
TOTAL EXPENDITURES	23,539,500	40,024,000	39,354,000	22,820,900	22,826,600

The Office of Assessment and Accountability is responsible for developing and implementing Kentucky's system of assessing progress by students, schools, and districts. The Office supplies information on regulations, policies and procedures, a calendar of important assessment dates, manuals, and information for districts and schools on using testing data to improve instruction. The Office of Assessment and Accountability also oversees the implementation of testing and data requirements enacted by Senate Bill 1 of the 2017 Regular Session of the General Assembly.

The Office consists of two divisions: the Division of Accountability Data and Analysis and the Division of Assessment Support.

The Division of Assessment Support operates the state's testing program and coordinates the logistics of the assessment program at the district level. This involves managing and generating data necessary to report assessment results on which accountability performance judgments must be based.

The Division of Accountability Data and Analysis reviews the consistency of student results across multiple measures and the potential for all scores to yield fair, consistent, and accurate information on student, school, and district performance. The Division also reviews the accuracy of scores assigned to students and schools as well as accuracy of the testing materials.

**Department of Education
Learning and Results Services
State Schools**

SOURCE OF FUNDS	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
General Fund					
Regular Appropriation	16,692,600	18,571,500	18,838,000	16,831,300	16,933,700
Budget Reduction-General Fund	-90,000				
Total General Fund	16,602,600	18,571,500	18,838,000	16,831,300	16,933,700
Restricted Funds					
Balance Forward	395,898				
Current Receipts	1,190,902	1,586,800	1,586,800	1,586,800	1,586,800
Total Restricted Funds	1,586,800	1,586,800	1,586,800	1,586,800	1,586,800
TOTAL SOURCE OF FUNDS	18,189,400	20,158,300	20,424,800	18,418,100	18,520,500
EXPENDITURES BY CLASS					
Personnel Costs	14,725,000	16,649,300	16,915,800	15,899,200	16,001,600
Operating Expenses	3,464,400	3,509,000	3,509,000	2,518,900	2,518,900
TOTAL EXPENDITURES	18,189,400	20,158,300	20,424,800	18,418,100	18,520,500
EXPENDITURES BY FUND SOURCE					
General Fund	16,602,600	18,571,500	18,838,000	16,831,300	16,933,700
Restricted Funds	1,586,800	1,586,800	1,586,800	1,586,800	1,586,800
TOTAL EXPENDITURES	18,189,400	20,158,300	20,424,800	18,418,100	18,520,500

The **Kentucky School for the Blind**, located in Louisville, Kentucky, provides instructional and residential programs for blind and visually impaired students throughout Kentucky. All instructional programs follow the Kentucky Academic Standards and Academic Expectations and are geared to meet students' individualized needs as set forth in their Individual Education Program (IEP).

The Kentucky School for the Blind residential program offers housing, after-school supervision, health center services, daily living skills experiences and leisure and recreational activities (which help in the development of social skills for independence).

The Kentucky School for the Blind Outreach Services provide assessments, consultations and professional development opportunities for school districts and teachers of the visually impaired. The Kentucky Instructional Materials Resource Center (KIMRC), a part of Outreach Services, purchases and distributes textbooks for school districts using federal quota funds. The KIMRC is responsible for the federal quota registration for the state. Braille production and the Parent Resource Center also are provided through Outreach Services.

The **Kentucky School for the Deaf**, located in Danville, Kentucky, provides educational services to deaf children who cannot be served by local school districts. The School's educational program consists of appropriate classroom instruction, life skills, physical education, and vocational training. Students receive instruction in accordance with their Individual Education Plan (IEP) that emphasizes language and communication skills development.

Students at the Kentucky School for the Deaf are housed in campus dormitories supervised by houseparents. The students receive practical living skill instruction in personal safety, hygiene, and independent living skills.

The Kentucky School for the Deaf also supports an Outreach Program which provides consultative, technical, and evaluative support to local school districts on how to provide effective educational services to deaf children attending school in a local district. The Kentucky School for the Deaf is the designated Statewide Educational Resource Center on Deafness.

**Department of Education
Learning and Results Services
Career & Technical Education**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	40,000,000	45,752,100	46,113,400	37,999,800	38,048,400
Budget Reduction-General Fund	-516,600				
Total General Fund	39,483,400	45,752,100	46,113,400	37,999,800	38,048,400
Restricted Funds					
Balance Forward	3,358,222				
Current Receipts	22,119,478	5,408,100	5,408,100	25,998,700	26,225,500
Non-Revenue Receipts	0	20,590,600	20,817,400		
Total Restricted Funds	25,477,700	25,998,700	26,225,500	25,998,700	26,225,500
Federal Fund					
Current Receipts	18,000,000	18,002,200	18,007,900	18,002,200	18,007,900
Total Federal Fund	18,000,000	18,002,200	18,007,900	18,002,200	18,007,900
TOTAL SOURCE OF FUNDS	82,961,100	89,753,000	90,346,800	82,000,700	82,281,800
EXPENDITURES BY CLASS					
Personnel Costs	43,490,200	49,277,100	49,853,300	42,450,100	42,527,200
Operating Expenses	8,718,400	8,740,000	8,740,000	8,740,000	8,740,000
Grants Loans Benefits	30,752,500	31,735,900	31,753,500	30,810,600	31,014,600
TOTAL EXPENDITURES	82,961,100	89,753,000	90,346,800	82,000,700	82,281,800
EXPENDITURES BY FUND SOURCE					
General Fund	39,483,400	45,752,100	46,113,400	37,999,800	38,048,400
Restricted Funds	25,477,700	25,998,700	26,225,500	25,998,700	26,225,500
Federal Fund	18,000,000	18,002,200	18,007,900	18,002,200	18,007,900
TOTAL EXPENDITURES	82,961,100	89,753,000	90,346,800	82,000,700	82,281,800

The Office of Career and Technical Education provides occupational-specific education and training for Kentucky's citizens in order to develop a skilled and versatile workforce. The main responsibility is providing education and technical training to youth and incumbent workers that match the needs of Kentucky business and industry. The Office of Career and Technical Education manages 53 area technology centers. These area technology centers prepare students for postsecondary technical training leading to a certificate or an associate's degree, academic pursuits at a four-year college or university, or entry into the labor market with an industry-recognized qualification. The Office of Career and Technical Education is also responsible for programs under the Carl D. Perkins Vocational and Applied Technology Education Act of 1998 (Public Law 105-332).

**Department of Education
Learning and Results Services
Local District Health Insurance**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	696,247,500	710,172,500	724,376,000	652,732,000	652,732,000
Total General Fund	696,247,500	710,172,500	724,376,000	652,732,000	652,732,000
TOTAL SOURCE OF FUNDS	696,247,500	710,172,500	724,376,000	652,732,000	652,732,000
EXPENDITURES BY CLASS					
Grants Loans Benefits	696,247,500	710,172,500	724,376,000	652,732,000	652,732,000
TOTAL EXPENDITURES	696,247,500	710,172,500	724,376,000	652,732,000	652,732,000
EXPENDITURES BY FUND SOURCE					
General Fund	696,247,500	710,172,500	724,376,000	652,732,000	652,732,000
TOTAL EXPENDITURES	696,247,500	710,172,500	724,376,000	652,732,000	652,732,000

Employees of local school districts have the option of participating in the Kentucky Employees' Health Plan (KEHP). KEHP is a self-insured program providing health insurance benefits to the employees and retirees of the Commonwealth of Kentucky, as well as local school boards, local health departments, and other quasi governmental agencies.

Policy

The Executive Budget includes \$652,732,000 in each fiscal year for local district health insurance. Notwithstanding KRS 18A.226, KRS 161.158 or any other provision of the Kentucky Revised Statutes to the contrary, local school districts shall be responsible for any additional amount in excess of the above appropriation of the employer contribution for local district health insurance.

Education and Workforce Development

Education and Workforce Development

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	52,877,200	72,501,200	76,864,600	58,514,800	63,923,900
Budget Reduction-General Fund	-2,708,800				
Total General Fund	50,168,400	72,501,200	76,864,600	58,514,800	63,923,900
Restricted Funds					
Balance Forward	48,988,200	6,558,600	5,317,000	5,930,400	5,085,300
Current Receipts	14,653,700	13,049,600	11,878,700	14,392,900	13,452,300
Non-Revenue Receipts	-17,500	49,819,900	50,278,000	49,354,600	49,767,600
Total Restricted Funds	63,624,400	69,428,100	67,473,700	69,677,900	68,305,200
Federal Fund					
Balance Forward	3,756,300				
Current Receipts	493,395,100	501,356,400	500,744,100	507,546,300	507,175,500
Non-Revenue Receipts	248,900				
Total Federal Fund	497,400,300	501,356,400	500,744,100	507,546,300	507,175,500
TOTAL SOURCE OF FUNDS	611,193,100	643,285,700	645,082,400	635,739,000	639,404,600
EXPENDITURES BY CLASS					
Personnel Costs	97,911,500	113,275,300	115,236,900	109,186,400	109,383,800
Operating Expenses	30,101,500	31,314,900	30,864,800	32,108,200	31,182,200
Grants Loans Benefits	439,066,900	492,074,300	493,155,000	485,752,400	486,839,100
Debt Service	36,619,200		365,000	2,303,500	6,728,000
Capital Outlay	1,415,500	1,304,200	1,110,800	1,304,200	1,110,800
TOTAL EXPENDITURES	605,114,600	637,968,700	640,732,500	630,654,700	635,243,900
EXPENDITURES BY FUND SOURCE					
General Fund	50,168,400	72,501,200	76,864,600	58,514,800	63,923,900
Restricted Funds	57,545,900	64,111,100	63,123,800	64,592,600	64,207,000
Federal Fund	497,400,300	501,356,400	500,744,100	507,546,300	507,175,500
TOTAL EXPENDITURES	605,114,600	637,968,700	640,732,500	630,653,700	635,306,400
EXPENDITURES BY UNIT					
General Administration and Program Support	16,048,500	16,762,400	16,942,100	24,533,600	28,846,900
Commission on Proprietary Education	288,600	312,900	316,600	320,900	323,900
Deaf and Hard of Hearing	1,966,000	2,698,500	2,731,800	2,132,800	2,149,700
Kentucky Educational Television	14,655,400	18,818,400	20,222,300	16,566,200	16,925,900
Environmental Education Council	262,400	288,300	284,800		
Libraries and Archives	16,660,900	20,536,500	20,517,300	15,125,700	15,032,200
Office for the Blind	10,262,200	13,121,500	13,284,400	13,002,800	13,090,700
Employment and Training	477,607,400	486,515,800	487,214,900	487,132,200	487,086,400
Vocational Rehabilitation	59,373,500	67,611,900	68,012,200	66,997,000	67,136,700
Education Professional Standards Board	7,989,700	11,302,500	11,206,100	4,842,500	4,714,000
TOTAL EXPENDITURES	605,114,600	637,968,700	640,732,500	630,653,700	635,306,400

During the 2006 Regular Session of the General Assembly, Senate Bill 105 combined several departments and offices from the former Education, Arts, and Humanities Cabinet and the former Workforce Development Cabinet to create the Education Cabinet. Senate Bill 78 from the 2009 Regular Session of the General Assembly renamed the cabinet to the Education and Workforce Development Cabinet to emphasize the important connection between education and workforce development. Since that time, other changes have been implemented via enacted legislation including moving the Council on Postsecondary Education from the Education and Workforce Development Cabinet to the Governor's Office, for administrative purposes; moving the Governor's Scholars Program from the Governor's Office to the Education and Workforce Development Cabinet; and dissolving the Board for Proprietary Education and creating the Commission on Proprietary Education, and moving it to the Education and Workforce Development Cabinet for administrative purposes.

The following agencies comprise the Education and Workforce Development Cabinet:

- Department of Education
- Kentucky Center for School Safety
- Governor's Scholars Program
- Education Professional Standards Board
- Kentucky Commission on the Deaf and Hard of Hearing
- Environmental Education Council
- Department for Workforce Investment
- Kentucky Commission on Proprietary Education
- Kentucky Educational Television
- Department for Libraries and Archives

**Education and Workforce Development
General Administration and Program Support**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,927,600	6,450,400	7,289,800	13,285,000	18,173,100
Budget Reduction-General Fund	-34,200				
Total General Fund	4,893,400	6,450,400	7,289,800	13,285,000	18,173,100
Restricted Funds					
Balance Forward	754,200	389,700	300,000	389,700	300,000
Current Receipts	300,000	100,000	100,000	1,021,000	1,104,500
Non-Revenue Receipts	6,306,400	6,270,900	6,070,900	6,270,900	6,070,900
Total Restricted Funds	7,360,600	6,760,600	6,470,900	7,681,600	7,475,400
Federal Fund					
Current Receipts	4,184,200	3,851,400	3,181,400	3,867,000	3,198,400
Total Federal Fund	4,184,200	3,851,400	3,181,400	3,867,000	3,198,400
TOTAL SOURCE OF FUNDS	16,438,200	17,062,400	16,942,100	24,833,600	28,846,900
EXPENDITURES BY CLASS					
Personnel Costs	11,476,800	12,610,000	12,782,900	12,340,700	12,405,200
Operating Expenses	1,780,600	1,961,300	1,968,100	1,998,100	2,004,900
Grants Loans Benefits	2,791,100	2,191,100	2,191,100	8,073,800	8,073,800
Debt Service				2,121,000	6,363,000
TOTAL EXPENDITURES	16,048,500	16,762,400	16,942,100	24,533,600	28,846,900
EXPENDITURES BY FUND SOURCE					
General Fund	4,893,400	6,450,400	7,289,800	13,285,000	18,173,100
Restricted Funds	6,970,900	6,460,600	6,470,900	7,381,600	7,475,400
Federal Fund	4,184,200	3,851,400	3,181,400	3,867,000	3,198,400
TOTAL EXPENDITURES	16,048,500	16,762,400	16,942,100	24,533,600	28,846,900
EXPENDITURES BY UNIT					
Secretary	9,001,200	10,050,700	10,257,800	18,121,800	22,494,100
Governor's Scholars	1,875,900	1,875,900	1,875,900	1,758,600	1,758,600
Education and Workforce Statistics	5,171,400	4,835,800	4,808,400	4,653,200	4,594,200
TOTAL EXPENDITURES	16,048,500	16,762,400	16,942,100	24,533,600	28,846,900

General Administration and Program Support provides the central coordination and direction for the overall planning, management and oversight of the agencies within the Cabinet. It is responsible for policy and budget development and personnel transactions; legal services including legislative and regulatory development and oversight; a communications strategy with the public, business, and industry; economic analysis and research; accounting, purchasing, and facilities management; and information technology and other administrative support services.

The program includes the following units:

- The Office of the Secretary provides strategic direction and leadership to establish the focus for policy development, implementation, and program priorities. The Office coordinates Cabinet activities among its departments and agencies to ensure continuous improvement in administration and efficient service to the citizens of the Commonwealth. The Secretary serves as the Chief Executive Officer of the Cabinet and is an advisor to the Governor and the General Assembly.
- The Office of Educational Programs assists in maintaining the Cabinet's presence with educational agencies and managing state-wide educational programs, among other responsibilities.
- The Office of Legal and Legislative Services oversees the Cabinet's legislative agenda and issues, including constituent services and board and commissions responsibilities.

- The Office of Budget and Administration is the Cabinet's chief financial and administrative office. The Division of Administrative Services is responsible for all central office purchasing, auditing and processing financial documents, compliance with the Federal Cash Management Act, federal reporting, development of the Indirect Cost Plan, monitoring and reconciliation of all financial transactions, and compliance with state and federal guidelines. The Division of Human Resources is responsible for all Cabinet personnel activities including personnel and payroll processing, providing benefits services to Cabinet employees and developing workshops and training programs for employees.
- The Office of Technology Services oversees and assists with the Cabinet's application development needs and serves as the central location for all Cabinet data processing programs statewide. The Office works with the Commonwealth Office of Technology to effectuate the Cabinet's information technology infrastructure objectives.
- The Office of Communication provides internal and external communications, marketing support and media advisory services to the Cabinet, Executive Offices, Department for Workforce Investment and other Cabinet agencies. The Office interprets and disseminates information about the Cabinet and its components to employees, the media and the general public.
- The Office of Education and Workforce Statistics and the Board of the Kentucky Center for Education and Workforce Statistics manage and oversee the Kentucky Longitudinal Data System. The System is a data repository housing early childhood through postsecondary education, and training and employment information. The Office removes individual identifiers from the data and links information across agencies, schools, and institutions to provide a complete picture of the education-to-employment process to better inform decisions made by state and local policy makers, the general public, and other stakeholders. The office conducts studies and provides feedback about the performance of high school graduates after they go to college; the outcome of teacher preparation, college, adult education, and other programs; and develops the Kentucky County Profiles book. The Kentucky Center for Education and Workforce Statistics Board is comprised of the heads of the five participating agencies and includes the commissioner of the Department of Education, the president of the Kentucky Council on Postsecondary Education, the secretary of the Education and Workforce Development Cabinet, the Executive Director of the Education Professional Standards Board, and the CEO/Executive Director of the Kentucky Higher Education Assistance Authority. The board is charged with developing a detailed access and use policy for data and information request, overseeing the Office and establishing its research agenda, and overseeing compliance by the Office with the federal Family Educational Rights and Privacy Act and other relevant federal and state privacy laws.
- The Governor's Scholars Program (GSP) is designed to motivate and empower Kentucky's brightest young people to become effective thinkers and citizen leaders with a zeal for excellence and a mind for innovation. The program provides an intensive residential summer academic and personal growth program for academically talented rising high school seniors. The scholars, chosen competitively, spend five uninterrupted weeks in the program on three college campuses. The Program served 1,078 students in the summer of 2017.

Policy

The Executive Budget provides General Fund in the amount of \$2,121,000 in fiscal year 2019 and \$6,363,000 in fiscal year 2020 for debt service on new bonds for the Workforce Development Construction Pool.

The Executive Budget provides General Fund in the amount of \$2,000,000 in fiscal year 2019 and 2020 for performance incentives for Local Workforce Development Boards and Career Centers.

The Executive Budget provides General Fund in the amount of \$4,000,000 in fiscal year 2019 and 2020 for at risk dropout prevention.

Education and Workforce Development

Proprietary Education

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	517,300	451,500	386,400	451,500	378,400
Current Receipts	247,800	247,800	247,800	247,800	247,800
Non-Revenue Receipts	-25,000				
Total Restricted Funds	740,100	699,300	634,200	699,300	626,200
TOTAL SOURCE OF FUNDS	740,100	699,300	634,200	699,300	626,200
EXPENDITURES BY CLASS					
Personnel Costs	269,900	294,200	297,900	302,200	305,200
Operating Expenses	18,700	18,700	18,700	18,700	18,700
TOTAL EXPENDITURES	288,600	312,900	316,600	320,900	323,900
EXPENDITURES BY FUND SOURCE					
Restricted Funds	288,600	312,900	316,600	320,900	323,900
TOTAL EXPENDITURES	288,600	312,900	316,600	320,900	323,900
EXPENDITURES BY UNIT					
Proprietary Education	288,600	312,900	316,600	320,900	323,900
TOTAL EXPENDITURES	288,600	312,900	316,600	320,900	323,900

The Kentucky Commission on Proprietary Education was established by action of the 2012 Kentucky General Assembly; it replaced the Board of Proprietary Education. The 11-member commission is charged with licensing and regulating all proprietary schools, doing business in Kentucky, other than those that offer a four year bachelor's degree. The duties of the Commission include issuing and renewing licenses to eligible proprietary schools, investigating complaints from students and schools, and administering and enforcing the provisions of KRS Chapter 165A pertaining to the conduct, operation, maintenance, and establishment of proprietary education institutions and the activities of agents of the schools.

The Commission also administers the Student Protection Fund. Each licensed school is obligated to contribute to the fund which reimburses eligible students in the event a school closes, loses its accreditation, or discontinues a program.

**Education and Workforce Development
Deaf and Hard of Hearing**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	873,900	959,100	1,077,100	959,000	970,000
Budget Reduction-General Fund	-17,100				
Total General Fund	856,800	959,100	1,077,100	959,000	970,000
Restricted Funds					
Balance Forward	16,100	86,900		86,900	
Current Receipts	1,180,000	1,652,500	1,654,700	1,086,900	1,179,700
Total Restricted Funds	1,196,100	1,739,400	1,654,700	1,173,800	1,179,700
TOTAL SOURCE OF FUNDS	2,052,900	2,698,500	2,731,800	2,132,800	2,149,700
EXPENDITURES BY CLASS					
Personnel Costs	1,184,300	1,913,400	1,946,700	1,347,100	1,364,000
Operating Expenses	781,700	785,100	785,100	785,700	785,700
TOTAL EXPENDITURES	1,966,000	2,698,500	2,731,800	2,132,800	2,149,700
EXPENDITURES BY FUND SOURCE					
General Fund	856,800	959,100	1,077,100	959,000	970,000
Restricted Funds	1,109,200	1,739,400	1,654,700	1,173,800	1,179,700
TOTAL EXPENDITURES	1,966,000	2,698,500	2,731,800	2,132,800	2,149,700
EXPENDITURES BY UNIT					
Commission on the Deaf and Hard of Hearing	1,966,000	2,698,500	2,731,800	2,132,800	2,149,700
TOTAL EXPENDITURES	1,966,000	2,698,500	2,731,800	2,132,800	2,149,700

In accordance with KRS 163.510, the Commission on the Deaf and Hard of Hearing advises the Governor and the General Assembly concerning policies and programs to enhance the quality and coordination of services for deaf and hard of hearing individuals in both the public and private sectors. The Commission oversees the provision of interpreter services to deaf and hard of hearing individuals; identifies and evaluates public and private entities that provide services to deaf and hard of hearing residents of Kentucky for information, referral, and advocacy services; administers a Telecommunications Access Program which provides specialized telecommunications equipment to qualified deaf, hard of hearing, and speech-impaired residents of Kentucky; assists local, state, and federal governments and public and private agencies in the development of programs for the deaf and hard of hearing; and reviews legislative programs relating to services for deaf and hard of hearing persons and conducts studies of conditions affecting the health and welfare of the deaf and hard of hearing.

Education and Workforce Development

Kentucky Educational Television

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	13,923,200	17,367,400	18,771,300	15,047,600	15,401,100
Budget Reduction-General Fund	-718,800				
Total General Fund	13,204,400	17,367,400	18,771,300	15,047,600	15,401,100
Restricted Funds					
Current Receipts	1,451,000	1,451,000	1,451,000	1,518,600	1,524,800
Total Restricted Funds	1,451,000	1,451,000	1,451,000	1,518,600	1,524,800
TOTAL SOURCE OF FUNDS	14,655,400	18,818,400	20,222,300	16,566,200	16,925,900
EXPENDITURES BY CLASS					
Personnel Costs	10,750,300	14,430,200	15,486,000	12,392,700	12,673,500
Operating Expenses	3,830,100	4,313,200	4,296,300	3,916,000	3,812,400
Debt Service			365,000	182,500	365,000
Capital Outlay	75,000	75,000	75,000	75,000	75,000
TOTAL EXPENDITURES	14,655,400	18,818,400	20,222,300	16,566,200	16,925,900
EXPENDITURES BY FUND SOURCE					
General Fund	13,204,400	17,367,400	18,771,300	15,047,600	15,401,100
Restricted Funds	1,451,000	1,451,000	1,451,000	1,518,600	1,524,800
TOTAL EXPENDITURES	14,655,400	18,818,400	20,222,300	16,566,200	16,925,900
EXPENDITURES BY UNIT					
General Administration and Support	2,786,500	3,278,900	3,703,500	3,263,500	3,479,400
Broadcasting and Education	9,831,800	13,251,800	14,203,700	10,996,600	11,120,000
Engineering	2,037,100	2,287,700	2,315,100	2,306,100	2,326,500
TOTAL EXPENDITURES	14,655,400	18,818,400	20,222,300	16,566,200	16,925,900

KET was established by the Kentucky General Assembly in the early 1960s for the purpose of supporting educational excellence in the Commonwealth. The agency's mission includes service to citizens of the Commonwealth in the home, in institutions of education, and in the workplace. As required by KRS 168, the Kentucky Authority for Educational Television (KET) produces and transmits educational programming for students in public schools, state supported institutions of higher education, and others desiring broadcast programs and services. KET is divided into three program areas: General Administration and Support, Broadcasting and Education, and Engineering.

The Broadcasting and Education unit acquires and produces programs and related support material which will most effectively carry out the mission and policies set by the Kentucky Authority for Educational Television. This process includes soliciting feedback from appropriate audiences and seeking input from agencies and groups such as the Kentucky Department of Education and the Higher Education Telecommunications Consortium. The unit assembles three channels of television programming: KET1 carries educational and informational programs for all Kentucky citizens; KET2 carries additional programs and repeats of important programs carried on KET1; and KETKY carries programs about Kentucky and Kentuckians and overnight feeds of instructional programs for schools. KETKY also carries the Kentucky General Assembly when in session or in committee, as well as, occasional special feeds for the State Department of Education, Kentucky Community and Technical College System or other partners as needed.

Instructional programming for elementary and secondary schools directly supports the learning goals and outcomes of Kentucky's Common Core Standards, adopted in February 2010. The Broadcasting and Education unit produces interactive and other distance learning courses designed to provide equal access to a variety of learning opportunities for all students. It produces professional development opportunities for educators throughout the state and broadcasts programs designed to help people in the workplace. Acquired and/or locally produced programming services are delivered to under-educated adults, professionals in need of training, and other citizens with various needs related to their jobs and professions. The unit also produces multiple schedules of nationally- and locally-produced programs for citizens at home and in the workplace. This includes educational and public affairs programming as well as quality arts experiences for all Kentuckians. A full line-up of children's educational programs offers a quality alternative to commercial television viewing.

KET's Engineering Service unit oversees the delivery of KET programs and other services. It operates and maintains a land-based broadcast network of 16 digital transmitters and three translators capable of delivering multiple channels of content and data into all parts of the state. The Engineering Service unit operates all technical equipment to specifications mandated by the Federal Communications Commission.

The General Administration and Support unit oversees the implementation of KET's mission as directed by the Kentucky Authority for Educational Television and recommends and carries out the policies of the Authority in all matters of the agency. The unit assures that the agency is in compliance with pertinent state regulations and federal broadcast laws and works to ascertain the desires of the citizens of the Commonwealth. The unit conducts research and planning activities to verify the needs of current and potential audiences then works to assure effective, efficient, and appropriate service to those audiences.

Policy

The Executive Budget provides General Fund in the amount of \$182,500 in fiscal year 2018-2019 and \$365,000 in fiscal year 2019-2020 for debt service on new bonds for the Transmitter and Repack capital project.

Education and Workforce Development

Environmental Education Council

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	103,200	148,100	129,800		
Current Receipts	13,100	16,300	16,300		
Non-Revenue Receipts	72,400	180,000	180,000		
Total Restricted Funds	188,700	344,400	326,100		
Federal Fund					
Current Receipts	73,700	73,700	66,000		
Total Federal Fund	73,700	73,700	66,000		
TOTAL SOURCE OF FUNDS	262,400	418,100	392,100		
EXPENDITURES BY CLASS					
Personnel Costs	189,700	231,300	228,100		
Operating Expenses	49,900	46,000	51,700		
Grants Loans Benefits	22,800	11,000	5,000		
TOTAL EXPENDITURES	262,400	288,300	284,800		
EXPENDITURES BY FUND SOURCE					
Restricted Funds	188,700	214,600	218,800		
Federal Fund	73,700	73,700	66,000		
TOTAL EXPENDITURES	262,400	288,300	284,800		
EXPENDITURES BY UNIT					
Ky Environmental Education Council	262,400	288,300	284,800		
TOTAL EXPENDITURES	262,400	288,300	284,800		

The Kentucky Environmental Education Council was established in 1990 by KRS 157.910 and is charged with improving the environmental literacy of all Kentuckians. The Council provides opportunities for all Kentuckians to understand both that environmental problems exist and how each person's actions contribute to the health of the environment. In accordance with KRS 224.10-250, the Council receives the first \$150,000 in environmental fines and penalties collected by the Energy and Environment Cabinet for funding programs and activities that improve the quality of environmental education in the Commonwealth. These programs and activities include:

- Working with citizens, especially those engaged in environmental education, to implement the master plan for improving environmental education and environmental literacy.
- Working with the Kentucky Department of Education, the Education Professional Standards Board, and agencies that make up the Environmental Education Interagency Committee to establish guidelines for improving professional development in environmental education for educators.
- Establishing standards for environmental education that fit within the Kentucky Department of Education's instructional standards and help insure balanced, ecologically-based curriculum and instruction.
- Working to ensure that environmental education is equitably distributed to all Kentuckians.

Additionally, in accordance with KRS 224.43-505, the Council provides interest accrued on the Kentucky Pride Fund, a fund that receives environmental remediation fees charged on each ton of waste disposed of at Kentucky landfills, to the eight state public universities to operate environmental education centers.

Policy

Notwithstanding KRS 157.910 and KRS 224.43-050(2)(b), the Executive Budget provides no funding for the Kentucky Environmental Education Council program.

**Education and Workforce Development
Libraries and Archives**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	13,001,800	16,022,500	16,184,300	10,324,600	10,386,100
Budget Reduction-General Fund	-1,213,100				
Total General Fund	11,788,700	16,022,500	16,184,300	10,324,600	10,386,100
Restricted Funds					
Balance Forward	2,670,800	2,255,400	1,953,700	2,255,400	1,953,700
Current Receipts	1,862,900	1,893,300	1,893,300	1,932,000	1,935,500
Total Restricted Funds	4,533,700	4,148,700	3,847,000	4,187,400	3,889,200
Federal Fund					
Current Receipts	2,345,000	2,319,000	2,319,000	2,567,400	2,589,900
Non-Revenue Receipts	248,900				
Total Federal Fund	2,593,900	2,319,000	2,319,000	2,567,400	2,589,900
TOTAL SOURCE OF FUNDS	18,916,300	22,490,200	22,350,300	17,079,400	16,865,200
EXPENDITURES BY CLASS					
Personnel Costs	5,180,100	6,953,800	7,063,600	6,521,200	6,556,700
Operating Expenses	3,144,700	3,638,600	3,506,600	3,659,500	3,527,500
Grants Loans Benefits	8,309,100	9,944,100	9,947,100	4,945,000	4,948,000
Capital Outlay	27,000				
TOTAL EXPENDITURES	16,660,900	20,536,500	20,517,300	15,125,700	15,032,200
EXPENDITURES BY FUND SOURCE					
General Fund	11,788,700	16,022,500	16,184,300	10,324,600	10,386,100
Restricted Funds	2,278,300	2,195,000	2,014,000	2,233,700	2,056,200
Federal Fund	2,593,900	2,319,000	2,319,000	2,567,400	2,589,900
TOTAL EXPENDITURES	16,660,900	20,536,500	20,517,300	15,125,700	15,032,200
EXPENDITURES BY UNIT					
Libraries and Archives	9,010,600	10,886,200	10,867,000	10,474,500	10,381,000
Direct Local Aid	7,650,300	9,650,300	9,650,300	4,651,200	4,651,200
TOTAL EXPENDITURES	16,660,900	20,536,500	20,517,300	15,125,700	15,032,200

The Department for Libraries and Archives supports and promotes equitable access to quality library services and information resources, and ensures that adequate documentation of government programs is created, maintained, and available for public use.

The Department is directed by three goals:

- To provide effective services that meet the needs of library and public records customers,
- To build effective and productive partnerships with other organizations and public agencies for enhanced management of and access to information and services, and
- To improve employee job satisfaction and agency operations.

The Department serves both governmental agencies and the people of Kentucky directly through local public libraries. The Department also serves several distinct customer populations including the general public, the blind and physically disabled, institutionalized persons, state government personnel, state and local public agencies, and researchers needing historic public records.

**Education and Workforce Development
Libraries and Archives**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,943,700	6,964,400	7,126,200	6,265,600	6,327,100
Budget Reduction-General Fund	-1,213,100				
Total General Fund	4,730,600	6,964,400	7,126,200	6,265,600	6,327,100
Restricted Funds					
Balance Forward	2,015,800	1,630,800	1,329,100	1,630,800	1,329,100
Current Receipts	1,301,100	1,301,100	1,301,100	1,339,800	1,343,300
Total Restricted Funds	3,316,900	2,931,900	2,630,200	2,970,600	2,672,400
Federal Fund					
Current Receipts	2,345,000	2,319,000	2,319,000	2,567,400	2,589,900
Non-Revenue Receipts	248,900				
Total Federal Fund	2,593,900	2,319,000	2,319,000	2,567,400	2,589,900
TOTAL SOURCE OF FUNDS	10,641,400	12,215,300	12,075,400	11,803,600	11,589,400
EXPENDITURES BY CLASS					
Personnel Costs	5,180,100	6,953,800	7,063,600	6,521,200	6,556,700
Operating Expenses	3,144,500	3,638,600	3,506,600	3,659,500	3,527,500
Grants Loans Benefits	659,000	293,800	296,800	293,800	296,800
Capital Outlay	27,000				
TOTAL EXPENDITURES	9,010,600	10,886,200	10,867,000	10,474,500	10,381,000
EXPENDITURES BY FUND SOURCE					
General Fund	4,730,600	6,964,400	7,126,200	6,265,600	6,327,100
Restricted Funds	1,686,100	1,602,800	1,421,800	1,641,500	1,464,000
Federal Fund	2,593,900	2,319,000	2,319,000	2,567,400	2,589,900
TOTAL EXPENDITURES	9,010,600	10,886,200	10,867,000	10,474,500	10,381,000
EXPENDITURES BY UNIT					
Administrative Services	1,294,600	2,602,200	2,492,700	2,374,600	2,249,000
Field Services	2,176,100	2,123,500	2,170,400	2,118,700	2,160,400
Library Services	1,566,200	1,875,800	1,902,000	1,927,200	1,937,200
Archives & Records Management	3,973,700	4,284,700	4,301,900	4,054,000	4,034,400
TOTAL EXPENDITURES	9,010,600	10,886,200	10,867,000	10,474,500	10,381,000

The Department for Libraries and Archives supports and promotes equitable access to quality library services and information resources, and ensures that adequate documentation of government programs is created, maintained, and available for public use.

Administrative Services

The Libraries and Archives Commissioner's Office sets overall policy and direction for the Department and provides communication advice and support to each division. The Office supports the activities of the State Advisory Council on Libraries, chairs the Archives and Records Commission, and serves on the State Information Systems Commission, the Communications Advisory Committee, and the Oral History Commission.

The Division of Administrative Services formulates and implements executive direction for planning, policy, and procedures for the Department in accordance with KRS Chapter 171. The Division provides administrative support to the program areas of the Department. This division funds and supports the activities of the Commissioner's Office, as well as those of the Financial, Personnel and Payroll, Federal Grants Management, Information Systems, Building Facilities, and Administrative Support units.

Field Services

The Division of Field Services supports Kentucky's public libraries for the improvement of library services by providing consultation, technical assistance, and financial aid. The Division provides services pursuant to KRS Chapter 171.

This division's Public Library Development Branch includes professional and technical staff who provide consultative and technical assistance concerning public library services and programs provided by the Department. The staff is located in regional offices that are mainly housed in local public libraries.

The Program Development Branch provides statewide guidance in specialized library services. This office plans and implements statewide continuing education programs. Services are also provided for technological development, automated operations, and statistical analysis. Branch staff provide consulting services in the areas of library construction; assistance in developing early childhood, children's, and young adult programs and materials; and provides administrative support to the Kentucky State Board for the Certification of Librarians.

The Kentucky Talking Book Library and Institutions Branch provides special library materials and playback equipment to eligible service clientele. Volunteers record materials that are of special interest to Kentucky Talking Book patrons, and department staff coordinate distribution. The Branch also provides library materials and professional consultation to state residential institution libraries.

State Library Services

The Division of State Library Services operates the State Library that serves state government personnel, public libraries, other institutions, and individuals. In an effort to equalize library services and access to information across the state, this division promotes and maintains cooperative arrangements for information and resource sharing among all types of libraries, library consortia, and information centers including state agencies as mandated by Chapter 171.

State Library Support is the administrative unit of the Division and provides coordinated program planning and control to ensure the best service in a cost-effective manner. The unit directs the statewide library resource-sharing activities of the Department, including direct service delivery, coordination of activities on a statewide basis, and support via direct local aid. The Department works closely with the Kentucky Virtual Library (KYVL) in the delivery of services and coordination of activities, and also participates as an individual library institution.

The Public Services Branch is committed to providing resources, research, consultation, and assistance to state agencies and public libraries through use of a variety of information formats including the Internet. The State Library partners with the Governmental Services Center (GSC) and the Kentucky Employee Assistance Program (KEAP) to provide supplementary information resources for those agencies' clients through the Library's web site.

The Audiovisual unit of the Branch provides a centralized collection of videos and films that are loaned without a fee to public libraries, state agencies, and walk-in customers. The unit is unique in that it is the only major source of films and "public performance" videos in the Commonwealth. The primary needs are for children's films suitable for large audience viewing and videos designed for adult training and education.

The Technical Support Branch provides computerized access to information for the State Library's collections and public libraries. The Branch serves as a model for quality control throughout the state, and supplies training and consulting services to librarians and state agency personnel involved in the organization of reference materials.

Public Records

The Division of Public Records, under KRS 171.410-740, works with government agencies to create and preserve documentation of agencies' organizational functions, policies, decisions, procedures, and essential transactions, as well as information that protects the legal and financial rights of government and of individuals directly affected by an agency's activities. The Division establishes standards, procedures, and administrative regulations for recording, managing, preserving, and reproducing government records. It works with the heads of state and local government agencies to ensure that the agencies create and maintain active programs for efficient records management.

The Public Records Support Office provides overall policy development, coordination of program planning, and administrative direction of division programs in public records administration and archival management.

The State Records Branch assists state agencies, boards and commissions, public universities, and judicial offices in developing and maintaining programs to manage government information. Branch staff manage the State Records Center for high volume storage of non-permanent records still in business use.

The Archival Services Branch operates the state's central repository for valuable government records. It serves as the official point of access for state government information. The Branch is also involved in a variety of outreach and educational activities that inform public officials and the general public about the wealth and range of materials housed at the State Archives.

The Technology Analysis and Support Branch provides support to agencies on archival and records management considerations in the application of information technology. It works with other units to provide guidance to public agencies on the management of electronic records and oversees the work of the Department's Document Preservation

Laboratory. This includes professional consulting, education and training programs, records disaster recovery assistance, and laboratory conservation treatment.

The Image Management Branch provides centralized image management and micrographics services to state and local government agencies on a cost recovery basis. These central services help improve access to information, reduce the volume of paper-based files, and ensure archival preservation of information contained in fragile paper records.

The Local Records Branch assists local government agencies in implementing and maintaining archives and records management programs.

Education and Workforce Development

Direct Local Aid

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,058,100	9,058,100	9,058,100	4,059,000	4,059,000
Total General Fund	7,058,100	9,058,100	9,058,100	4,059,000	4,059,000
Restricted Funds					
Balance Forward	655,000	624,600	624,600	624,600	624,600
Current Receipts	561,800	592,200	592,200	592,200	592,200
Total Restricted Funds	1,216,800	1,216,800	1,216,800	1,216,800	1,216,800
TOTAL SOURCE OF FUNDS	8,274,900	10,274,900	10,274,900	5,275,800	5,275,800
EXPENDITURES BY CLASS					
Operating Expenses	200				
Grants Loans Benefits	7,650,100	9,650,300	9,650,300	4,651,200	4,651,200
TOTAL EXPENDITURES	7,650,300	9,650,300	9,650,300	4,651,200	4,651,200
EXPENDITURES BY FUND SOURCE					
General Fund	7,058,100	9,058,100	9,058,100	4,059,000	4,059,000
Restricted Funds	592,200	592,200	592,200	592,200	592,200
TOTAL EXPENDITURES	7,650,300	9,650,300	9,650,300	4,651,200	4,651,200
EXPENDITURES BY UNIT					
Libraries Support	7,058,100	9,058,100	9,058,100	4,059,000	4,059,000
Library Technology	30,400				
Public Records	561,800	592,200	592,200	592,200	592,200
TOTAL EXPENDITURES	7,650,300	9,650,300	9,650,300	4,651,200	4,651,200

Direct Local Aid provides the following services to citizens of the Commonwealth:

- Federal grants are provided for continuing education, training, and demonstration projects.
- State aid provides cash grants to all counties with legally established public libraries. The grant funds may be used for the following purposes: purchase, upgrade, and maintenance of technology resources; purchase of library materials and equipment; maintenance and operation of bookmobiles and extension programs; staff and trustee training and compensation; building maintenance; debt service; resource-sharing; program development; and certain other local library needs and services.
- The Bookmobile program furnishes and replaces bookmobiles used by Kentucky's public libraries. The bookmobiles provide informational and educational resources to those who cannot physically reach a public library. Bookmobiles make regular stops at schools, daycare centers, and after-school centers. Services are also provided to the elderly and homebound individuals. Funds are also provided for maintenance and repair of existing bookmobiles. Services are provided as funds are available.
- Construction grants are available through a competitive application process to assist with retiring debt associated with the construction or repair of library facilities.
- Institution grants are given to two local libraries to administer library service in three state prisons. The Danville Library works with the Northpoint Training Center, and the Oldham County Public Library works with the Kentucky State Reformatory and the Kentucky Correctional Institution for Women.
- Kentucky Talking Book Library grants are given to assist in the delivery of services directly to blind and physically disabled library patrons.
- Local Records grants provide funds to assist local governments with the protection and preservation of public records, and the improvement of local government records management programs.

These services are administered by the Department's program divisions: Field Services, State Library Services, and Public Records. Direct services include cash grants, library materials, and bookmobiles.

Policy

Notwithstanding KRS 171.201, the Executive Budget provides no funding for non-construction state aid to local libraries.

Education and Workforce Development

Office for the Blind

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,438,700	2,931,000	3,099,200	1,880,900	1,890,800
Total General Fund	1,438,700	2,931,000	3,099,200	1,880,900	1,890,800
Restricted Funds					
Balance Forward	517,600	220,600	148,900	218,000	77,300
Current Receipts	849,700	849,700	849,700	870,400	938,100
Total Restricted Funds	1,367,300	1,070,300	998,600	1,088,400	1,015,400
Federal Fund					
Balance Forward	-2,100				
Current Receipts	7,676,300	9,269,100	9,269,100	10,110,800	10,184,500
Total Federal Fund	7,674,200	9,269,100	9,269,100	10,110,800	10,184,500
TOTAL SOURCE OF FUNDS	10,480,200	13,270,400	13,366,900	13,080,100	13,090,700
EXPENDITURES BY CLASS					
Personnel Costs	6,678,100	7,812,700	7,982,200	7,661,300	7,756,600
Operating Expenses	1,421,600	1,421,900	1,420,200	1,454,600	1,452,100
Grants Loans Benefits	1,598,900	3,323,300	3,318,400	3,323,300	3,318,400
Capital Outlay	563,600	563,600	563,600	563,600	563,600
TOTAL EXPENDITURES	10,262,200	13,121,500	13,284,400	13,002,800	13,090,700
EXPENDITURES BY FUND SOURCE					
General Fund	1,438,700	2,931,000	3,099,200	1,880,900	1,890,800
Restricted Funds	1,149,300	921,400	916,100	1,011,100	1,015,400
Federal Fund	7,674,200	9,269,100	9,269,100	10,110,800	10,184,500
TOTAL EXPENDITURES	10,262,200	13,121,500	13,284,400	13,002,800	13,090,700
EXPENDITURES BY UNIT					
General Blind Services	8,803,000	11,474,800	11,623,300	11,365,000	11,447,700
Business Enterprise Program	800,800	882,400	879,700	880,000	876,000
Center for Independent Living	658,400	764,300	781,400	757,800	767,000
TOTAL EXPENDITURES	10,262,200	13,121,500	13,284,400	13,002,800	13,090,700

Pursuant to KRS 163.470 and the Rehabilitation Act of 1973 as amended, the Office for the Blind provides services to assist individuals who are blind and visually impaired in preparing for, obtaining, improving, and maintaining employment, as well as enabling them to live more independent and fulfilling lives. Office for the Blind has professional staff located at the central office as well as in Kentucky Career Centers throughout the state. Kentucky Career Centers house not only Office for the Blind staff, but also staff from partner agencies such as Office of Vocational Rehabilitation, Office of Employment and Training, Department for Community Based Services, Kentucky Adult Education, Community Action, and others. Such collaboration affords consumers the convenience of a one-stop approach for accessing various types of assistance necessary for reaching employment goals.

The Office provides vocational rehabilitation of blind and visually impaired Kentuckians. Vocational Rehabilitation Counselors provide vocational counseling, evaluation, physical and mental restoration, vocational and higher education training, assistive technology training, adaptive devices, orientation and mobility training, and job placement services. The Counselors receive ongoing training to maintain certification and to gain knowledge of the latest developments in rehabilitation techniques. The Office provides services through the following avenues:

- The Office has 10 field offices that provide direct vocational rehabilitation services to individuals with severe visual impairments.
- The Charles McDowell Comprehensive Rehabilitation Center for the Blind is a facility in Louisville that provides training in vocational preparation, personal adjustment services, independent living skills, orientation and mobility skills, Braille, assistive technology, career assessment, vocational planning, work adjustment, and work experience.

- In Lexington and Paducah, the Office operates two volunteer recording units that provide audio-recorded materials statewide for blind and visually impaired individuals.
- The Business Enterprise Program trains and provides equipment to blind individuals for self-employment at vending facilities located statewide.
- The Independent Living Program provides training to blind and visually impaired individuals in areas that will enable them to live and function independently.

Pursuant to KRS 163.470(11) and the federal Randolph-Sheppard Act, the Division of Business Enterprises Program (BEP) establishes vending facilities on state, federal, and other property to provide remunerative employment for licensed merchants who are visually impaired. Business Enterprises staff provides management services and training to individuals who are visually impaired, identifies and develops new sites suitable for vending facilities, and repairs and replaces equipment in existing vending facilities.

The Business Enterprise Program also collects a set-aside, or fee based upon the percentage of gross sales from vending operations. The visually impaired merchants currently contribute five percent of their net income to be used for their own health insurance and an IRA. The funds received from the interstate vending contract are utilized exclusively in the Business Enterprises Program.

Pursuant to KRS 163.470 and Title VII of the Rehabilitation Act, independent living specialists provide short-term, individualized instruction for individuals who are blind so they may be able to function independently. Services include information, counseling, and skills training in activities of daily living. Mobility training, assistive devices, referrals to community resources in housing and transportation, and information on services offered by other agencies are provided. The service population consists mainly of individuals who are elderly or unable to work due to the severity of disabilities.

The Office employs independent living specialists who are located throughout the state. These specialists make home visits and provide specially-adapted aids and appliances such as Braille and talking watches, controls on stoves, writing guides, phone dials, and canes. They provide limited instruction in household tasks such as cooking, keeping time, and learning in the home. The specialists also work with families to educate them about blindness and how to promote independent living.

**Education and Workforce Development
Employment and Training**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		4,113,300	4,854,000		
Total General Fund		4,113,300	4,854,000		
Restricted Funds					
Balance Forward	42,614,400	684,400	553,700	684,400	553,700
Current Receipts	4,290,500	2,380,300	1,357,200	3,282,200	2,235,600
Non-Revenue Receipts	-6,519,400	43,369,000	44,027,100	43,083,700	43,696,700
Total Restricted Funds	40,385,500	46,433,700	45,938,000	47,050,300	46,486,000
Federal Fund					
Balance Forward	3,756,000				
Current Receipts	434,150,300	436,522,500	436,587,900	440,635,600	440,765,400
Total Federal Fund	437,906,300	436,522,500	436,587,900	440,635,600	440,765,400
TOTAL SOURCE OF FUNDS	478,291,800	487,069,500	487,379,900	487,685,900	487,251,400
EXPENDITURES BY CLASS					
Personnel Costs	34,770,900	39,932,300	40,029,000	39,660,600	39,390,200
Operating Expenses	13,211,700	13,266,800	12,974,000	14,154,900	13,484,300
Grants Loans Benefits	392,255,700	432,651,100	433,739,700	432,651,100	433,739,700
Debt Service	36,619,200				
Capital Outlay	749,900	665,600	472,200	665,600	472,200
TOTAL EXPENDITURES	477,607,400	486,515,800	487,214,900	487,132,200	487,086,400
EXPENDITURES BY FUND SOURCE					
General Fund		4,113,300	4,854,000		
Restricted Funds	39,701,100	45,880,000	45,773,000	46,496,600	46,321,000
Federal Fund	437,906,300	436,522,500	436,587,900	440,635,600	440,765,400
TOTAL EXPENDITURES	477,607,400	486,515,800	487,214,900	487,132,200	487,086,400
EXPENDITURES BY UNIT					
Employer and Placement Services	25,815,800	26,887,500	26,930,800	26,839,600	26,778,300
Unemployment Insurance	410,244,200	374,553,400	374,879,200	375,544,900	375,294,200
Special Projects		44,180,000	44,266,400	43,894,700	43,936,000
Workforce Innovation and Opportunity Act	41,547,400	40,894,900	41,138,500	40,853,000	41,077,900
TOTAL EXPENDITURES	477,607,400	486,515,800	487,214,900	487,132,200	487,086,400

The Office of Employment and Training (OET) administers federally-funded programs that provide employment-related services to the citizens of Kentucky. OET provides a wide array of professional services to employers and job seekers. These services include employment counseling, testing, assessment, job search assistance, and placement services to all citizens, as well as training programs for dislocated workers and other individuals who are economically disadvantaged.

The programs are funded by federal grants, with the principal revenue source derived from the Unemployment Insurance (UI) program. The federal government, through the employer-paid Federal Unemployment Tax Act (FUTA), provides the Office's operating and capital funding for the two programs.

The Office also receives funds to administer several smaller programs that are related to UI and Employment Services, including: Veterans' Employment and Training Services, Labor Market Information, Alien Labor Certification, Agricultural Wage Surveys, and Alien Farmworker Housing Inspections. The Office administers training programs under the Trade Adjustment Assistance program and Title I of the Workforce Innovation and Opportunity Act. These programs are designed to provide temporary income maintenance through UI to individuals who are unemployed through no fault of their own, and to assist the unemployed, underemployed, and persons who wish to change occupations in finding suitable employment. Additional benefits include the reduction of public burden through the early placement of welfare recipients and UI claimants.

The Department is also responsible for assessing and collecting taxes from employers to distribute benefits to those who qualify for unemployment compensation.

Policy

Notwithstanding KRS 341.295 and 341.240, penalty and interest collections credited to the unemployment compensation administration fund may be used during each fiscal year by the Office of Employment and Training for Wagner-Peyser and Unemployment Insurance Administration purposes.

**Education and Workforce Development
Employment and Training
Employer and Placement Services**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		1,403,200	1,624,300		
Total General Fund		1,403,200	1,624,300		
Restricted Funds					
Balance Forward	1,123,800	589,400	423,700	589,400	423,700
Current Receipts	4,240,200	2,360,300	1,337,200	2,360,300	1,337,200
Non-Revenue Receipts	-2,816,900	-826,000	-254,300	-826,000	-254,300
Total Restricted Funds	2,547,100	2,123,700	1,506,600	2,123,700	1,506,600
Federal Fund					
Current Receipts	23,858,100	23,784,300	23,799,900	25,139,600	25,271,700
Total Federal Fund	23,858,100	23,784,300	23,799,900	25,139,600	25,271,700
TOTAL SOURCE OF FUNDS	26,405,200	27,311,200	26,930,800	27,263,300	26,778,300
EXPENDITURES BY CLASS					
Personnel Costs	10,403,200	11,007,300	11,243,200	10,951,900	11,084,000
Operating Expenses	3,531,800	4,142,800	4,143,600	4,150,300	4,150,300
Grants Loans Benefits	11,215,200	11,071,800	11,071,800	11,071,800	11,071,800
Capital Outlay	665,600	665,600	472,200	665,600	472,200
TOTAL EXPENDITURES	25,815,800	26,887,500	26,930,800	26,839,600	26,778,300
EXPENDITURES BY FUND SOURCE					
General Fund		1,403,200	1,624,300		
Restricted Funds	1,957,700	1,700,000	1,506,600	1,700,000	1,506,600
Federal Fund	23,858,100	23,784,300	23,799,900	25,139,600	25,271,700
TOTAL EXPENDITURES	25,815,800	26,887,500	26,930,800	26,839,600	26,778,300

There are two objectives of the Employer and Placement Services program. The first is to assist individuals who are unemployed, underemployed, or simply seeking to change their employment situation. The second is to assist employers in obtaining qualified workers to fill job openings as quickly as possible. This program provides counseling, employment testing, job development, referral, and placement.

**Education and Workforce Development
Employment and Training
Unemployment Insurance**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		2,491,400	2,976,300		
Total General Fund		2,491,400	2,976,300		
Restricted Funds					
Balance Forward	41,490,600	95,000	130,000	95,000	130,000
Current Receipts	50,300	20,000	20,000	921,900	898,400
Non-Revenue Receipts	-3,702,500	15,000	15,000	15,000	15,000
Total Restricted Funds	37,838,400	130,000	165,000	1,031,900	1,043,400
Federal Fund					
Balance Forward	3,718,300				
Current Receipts	368,782,500	372,062,000	371,902,900	374,643,000	374,415,800
Total Federal Fund	372,500,800	372,062,000	371,902,900	374,643,000	374,415,800
TOTAL SOURCE OF FUNDS	410,339,200	374,683,400	375,044,200	375,674,900	375,459,200
EXPENDITURES BY CLASS					
Personnel Costs	22,233,100	24,208,700	24,641,100	24,319,600	24,552,500
Operating Expenses	8,853,800	7,890,900	7,784,300	8,771,500	8,287,900
Grants Loans Benefits	342,453,800	342,453,800	342,453,800	342,453,800	342,453,800
Debt Service	36,619,200				
Capital Outlay	84,300				
TOTAL EXPENDITURES	410,244,200	374,553,400	374,879,200	375,544,900	375,294,200
EXPENDITURES BY FUND SOURCE					
General Fund		2,491,400	2,976,300		
Restricted Funds	37,743,400			901,900	878,400
Federal Fund	372,500,800	372,062,000	371,902,900	374,643,000	374,415,800
TOTAL EXPENDITURES	410,244,200	374,553,400	374,879,200	375,544,900	375,294,200
EXPENDITURES BY UNIT					
Unemployment Insurance Administration	68,544,200	32,853,400	33,179,200	33,844,900	33,594,200
Unemployment Insurance Benefits	341,700,000	341,700,000	341,700,000	341,700,000	341,700,000
TOTAL EXPENDITURES	410,244,200	374,553,400	374,879,200	375,544,900	375,294,200

The purpose of the Unemployment Insurance (UI) program is to provide temporary financial assistance to workers who become unemployed through no fault of their own, in the form of regular UI benefit payments in an amount determined by the claimant's wage history. Regular UI benefits are funded entirely through payment of the state unemployment taxes by employers determined liable under KRS Chapter 341 based upon the size and duration of payroll.

Within the Office of Employment and Training, the Division of Unemployment Insurance supports the claims activities initiated in the local offices of the Division of Field Services. In the central office, the Benefits Branch ensures and accounts for the proper payment of regular UI and federal program benefits, including the determination of chargeability to a specific employer for the cost of each regular UI claim. In cases where benefits have been drawn in error, the branch pursues restitution and, if fraud is involved, pursues prosecution of the claimant. The Benefits Branch also operates an interstate claims "local office" to serve claimants covered under Kentucky law but filing from other states.

In addition to regular UI benefits, the program also administers payment of federal benefits to unemployed federal employees and discharged military personnel, those affected by changes in international trade, those affected financially in federal disaster areas, and those covered under extended unemployment compensation programs. With the exception of partial payment from state UI funds in the case of some extended benefits, these programs are financed by employer federal unemployment tax collected by the Internal Revenue Service.

The administrative component of the UI program provides benefit payments based on earnings in a specific transaction period. Revenues for this program are derived from a federal unemployment tax on employers' payrolls.

KRS Chapter 341 provides the statutory authority and structure for the operation of the UI program in Kentucky. With regard to most particulars involving worker coverage, benefit entitlement, and employer liability, KRS Chapter 341 conforms to federal unemployment law derived from the Social Security Act of 1935. This state and federal statutory conformity is required in order for Kentucky employers to receive a credit against federal unemployment tax based on state tax payments, and in order for the agency to receive federal administrative funding.

During fiscal year 2015, the Office of Employment and Training paid 1.15 million weeks of compensation to out-of-work Kentuckians with benefits totaling approximately \$334.3 million.

Policy

Notwithstanding KRS 341.240 and 341.295, funds from the Unemployment Compensation Administration Fund may be used each fiscal year to support the Wagner-Peyser program.

**Education and Workforce Development
Employment and Training
Workforce Innovation and Opportunity Act**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		218,700	253,400		
Total General Fund		218,700	253,400		
Federal Fund					
Balance Forward	37,700				
Current Receipts	41,509,700	40,676,200	40,885,100	40,853,000	41,077,900
Total Federal Fund	41,547,400	40,676,200	40,885,100	40,853,000	41,077,900
TOTAL SOURCE OF FUNDS	41,547,400	40,894,900	41,138,500	40,853,000	41,077,900
EXPENDITURES BY CLASS					
Personnel Costs	2,134,600	2,956,300	2,298,300	2,914,400	2,237,700
Operating Expenses	826,100	1,013,100	826,100	1,013,100	826,100
Grants Loans Benefits	38,586,700	36,925,500	38,014,100	36,925,500	38,014,100
TOTAL EXPENDITURES	41,547,400	40,894,900	41,138,500	40,853,000	41,077,900
EXPENDITURES BY FUND SOURCE					
General Fund		218,700	253,400		
Federal Fund	41,547,400	40,676,200	40,885,100	40,853,000	41,077,900
TOTAL EXPENDITURES	41,547,400	40,894,900	41,138,500	40,853,000	41,077,900

In accordance with the provisions of the Workforce Innovation and Opportunity Act (WIOA), Kentucky continues to consolidate, coordinate, and improve employment, training, literacy, and vocational rehabilitation programs. WIOA reforms implemented by the Commonwealth include streamlining services through a one-stop service delivery system housed in Kentucky Career Centers located throughout the state, empowering individuals by means of information and access to training resources through individual training accounts, providing universal access to core services, increasing accountability for results, ensuring a strong role for Local Workforce Investment Boards and the private sector in the workforce investment system, facilitating state and local flexibility, and improving youth services.

The Workforce Innovation and Opportunity Act specifies three funding streams to the states and local areas: adults, dislocated workers, and youth.

Most services for adults and dislocated workers are provided through the Kentucky Career Centers, and most customers use individual training accounts to determine which training programs and training providers best fit their needs. The Act authorizes core services available to all adults, and intensive services for unemployed individuals who are not able to find jobs through core services alone. In some cases, intensive services are available to employed workers who need more help to find or keep a job that will lead to self-sufficiency.

Through WIOA, youth are prepared for postsecondary educational opportunities or employment. Programs link academic and occupational learning and include tutoring, study skills training, and instruction leading to completion of secondary school (including drop-out prevention); alternative school services; mentoring by appropriate adults; paid and unpaid work experience (i.e. internships and job shadowing); occupational skills training; leadership development; and appropriate supportive services.

The 42-member Kentucky Workforce Investment Board (KWIB) serves as an advisory board to the Governor on workforce training and development issues. The KWIB is charged with creating a statewide vision for workforce development and adopting a plan to move Kentucky forward through workforce training and development.

**Education and Workforce Development
Vocational Rehabilitation**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	11,872,700	14,545,000	15,422,800	13,393,000	13,459,000
Total General Fund	11,872,700	14,545,000	15,422,800	13,393,000	13,459,000
Restricted Funds					
Balance Forward	-49,900	477,500			
Current Receipts	3,358,700	3,358,700	3,358,700	3,334,000	3,336,300
Total Restricted Funds	3,308,800	3,836,200	3,358,700	3,334,000	3,336,300
Federal Fund					
Balance Forward	2,400				
Current Receipts	44,189,600	49,230,700	49,230,700	50,270,000	50,341,400
Total Federal Fund	44,192,000	49,230,700	49,230,700	50,270,000	50,341,400
TOTAL SOURCE OF FUNDS	59,373,500	67,611,900	68,012,200	66,997,000	67,136,700
EXPENDITURES BY CLASS					
Personnel Costs	23,494,800	25,211,900	25,611,300	25,096,100	25,239,800
Operating Expenses	5,086,400	5,086,300	5,087,200	5,294,800	5,290,800
Grants Loans Benefits	30,792,300	37,313,700	37,313,700	36,606,100	36,606,100
TOTAL EXPENDITURES	59,373,500	67,611,900	68,012,200	66,997,000	67,136,700
EXPENDITURES BY FUND SOURCE					
General Fund	11,872,700	14,545,000	15,422,800	13,393,000	13,459,000
Restricted Funds	3,308,800	3,836,200	3,358,700	3,334,000	3,336,300
Federal Fund	44,192,000	49,230,700	49,230,700	50,270,000	50,341,400
TOTAL EXPENDITURES	59,373,500	67,611,900	68,012,200	66,997,000	67,136,700
EXPENDITURES BY UNIT					
Carl D. Perkins Vocational Training Center	7,443,900	7,908,000	8,008,700	8,067,800	8,138,800
Program Services	51,290,300	58,961,700	59,246,200	58,162,200	58,230,900
Executive Director	639,300	742,200	757,300	767,000	767,000
TOTAL EXPENDITURES	59,373,500	67,611,900	68,012,200	66,997,000	67,136,700

The Office of Vocational Rehabilitation provides for and improves the vocational rehabilitation of citizens with physical and mental disabilities and helps eligible persons with disabilities achieve suitable employment. The Office of Vocational Rehabilitation has professional staff located at the central office as well as in Kentucky Career Centers throughout the state. Kentucky Career Centers house not only Office of Vocational Rehabilitation staff, but also staff from partner agencies such as Office for the Blind, Office of Employment and Training, Department for Community Based Services, Kentucky Adult Education, Community Action, and others. Such collaboration affords consumers the convenience of a one-stop approach for accessing various types of assistance necessary for reaching employment goals.

The Office employs Vocational Rehabilitation Counselors and Program Specialists who utilize vocational assessments, and counseling and guidance services to match workers with disabilities to labor market needs. An array of services is provided to assist clients with reaching employment goals. Job preparation activities include on-the-job training and vocational and classroom instruction. Job development and placement services assist the individual in obtaining and maintaining suitable employment. Transition activities support a move from the classroom to the workplace. Rehabilitation technology adapts the physical environment at work or home to meet employment needs. Follow-up services ensure that employment is progressing satisfactorily. Counselors and Specialists receive ongoing training to maintain certification and to gain knowledge of the latest developments in rehabilitation strategies and techniques.

The Office also provides services for employers. Such services include preparing job-qualified applicants, conducting job analyses, recommending job modifications, and conducting disability awareness programs. Other services include disability awareness training programs and affirmative action planning and services to employees with disability-related problems. The Office also provides services for employers. Such services include preparing job-qualified applicants, conducting job analyses, recommending job modifications, and conducting disability awareness programs. Other

services include disability awareness training programs and affirmative action planning and services to employees with disability-related problems.

The Rehabilitation Act of 1973, as amended, authorizes and provides federal funding for state vocational rehabilitation programs. Kentucky Revised Statutes 151B.180-210 complies with all provisions of the Act. The Code of Federal Regulations (CFR Chapter 34) and Title 781 of the Kentucky Administrative Regulations establish functions of the program. The Office also complies with relevant sections of the Kentucky Department of Education's administrative regulations.

The Program Services Division provides direct vocational rehabilitation services to eligible individuals who have physical or mental disabilities and is responsible for the actual intake and client service delivery efforts of the Office and performs certain administrative functions. The Division implements the federal Rehabilitation Act of 1973 and must make available, services appropriate to the needs of individuals with disabilities. The services enumerated in the Rehabilitation Act include: evaluation of vocational rehabilitation potential; counseling and guidance; physical and mental restoration services; vocational and other training services; maintenance; transportation; services to family members; interpreter services and note-taking services for persons who are deaf; reader services and note-taking services for persons who are blind; assistive technology and devices; personal assistance services; recruitment and training services; placement; post-employment services; occupational licenses, equipment, initial stock and supplies; and other goods and services needed for employment.

Program Planning and Development provides administrative and staff functions to enhance equitable and efficient service delivery to eligible individuals with disabilities. The Division has statewide responsibility for program planning, program evaluation, policy development, human resource development, job development and placement, and development of new and innovative programs. The Division also provides staff support to the Statewide Advisory Council for Vocational Rehabilitation and the Statewide Independent Living Council. Federal regulations require an approved State Plan for Vocational Rehabilitation Services under Title I of the Rehabilitation Act as a condition for receiving Federal Funds.

The Carl D. Perkins Vocational Training Center (CDPVTC) at Thelma, Kentucky, is a multi disciplinary residential rehabilitation facility located in Johnson County. The CDPVTC operates five major programs: Vocational Evaluation, Work Adjustment, Vocational Training, Physical Restoration/Outpatient Medical Rehabilitation, and Brain Injury Community Re-entry. All programs meet standards for program quality as documented by the Commission on Accreditation of Rehabilitation Facilities (CARF). Within these five programs, the following professional services are available: comprehensive vocational assessment, vocational training, physical therapy, occupational therapy, speech therapy, nursing services, physician services, adjustment services, psychological and psychiatric services, adult therapeutic recreation, vocational rehabilitation counseling, social services, assistive technology, transportation, and administrative services. A wide range of educational programs and services including developmental math, reading, GED test preparation, and the External Diploma Program are also available. The CDPVTC offers individualized placement services through Preparing Adults for Competitive Employment (PACE) and an Employment Relations Specialist.

The Kentucky Assistive Technology Service (KATS) Network is a federally funded project operating within the Office of Vocational Rehabilitation. KATS is a statewide collaborative system of consumer-oriented organizations that help to provide assistive technologies to individuals with a variety of disabilities.

The Administrative Management Division provides all administrative, technical, and budget related services for the Office and is responsive to the needs of the direct service delivery program staff. Responsibilities include budgeting, purchasing, financial reporting, and federal grant accounting. The Division oversees the implementation and administration of the automated case management system and coordinates the development of application programs. Beginning in fiscal year 2014, the Division absorbed the duties associated with budget and financial management of Office for the Blind.

**Education and Workforce Development
Education Professional Standards Board**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,839,300	10,112,500	10,166,100	3,624,700	3,643,800
Budget Reduction-General Fund	-725,600				
Total General Fund	6,113,700	10,112,500	10,166,100	3,624,700	3,643,800
Restricted Funds					
Balance Forward	1,844,500	1,844,500	1,844,500	1,844,500	1,822,200
Current Receipts	1,100,000	1,100,000	950,000	1,100,000	950,000
Total Restricted Funds	2,944,500	2,944,500	2,794,500	2,944,500	2,772,200
Federal Fund					
Current Receipts	776,000	90,000	90,000	95,500	95,900
Total Federal Fund	776,000	90,000	90,000	95,500	95,900
TOTAL SOURCE OF FUNDS	9,834,200	13,147,000	13,050,600	6,664,700	6,511,900
EXPENDITURES BY CLASS					
Personnel Costs	3,916,600	3,885,500	3,809,200	3,863,500	3,755,100
Operating Expenses	776,100	777,000	756,900	825,900	805,800
Grants Loans Benefits	3,297,000	6,640,000	6,640,000	153,100	153,100
TOTAL EXPENDITURES	7,989,700	11,302,500	11,206,100	4,842,500	4,714,000
EXPENDITURES BY FUND SOURCE					
General Fund	6,113,700	10,112,500	10,166,100	3,624,700	3,643,800
Restricted Funds	1,100,000	1,100,000	950,000	1,122,300	974,300
Federal Fund	776,000	90,000	90,000	95,500	95,900
TOTAL EXPENDITURES	7,989,700	11,302,500	11,206,100	4,842,500	4,714,000
EXPENDITURES BY UNIT					
Operations	5,187,000	5,712,500	5,616,100	4,842,500	4,714,000
Kentucky Teacher Internship Program	2,802,700	5,590,000	5,590,000		
TOTAL EXPENDITURES	7,989,700	11,302,500	11,206,100	4,842,500	4,714,000

Authorized in KRS 161.028, the Education Professional Standards Board (EPSB) is a 17-member body appointed by the Governor to oversee teacher and administrator preparation, internship, and certification.

The EPSB is responsible for issuing, suspending, and revoking certificates for Kentucky's more than 50,000 active Kentucky educators, and ensures, via an annual review, that all professional positions in the state's 173 public school districts are appropriately staffed. It is responsible for developing (in cooperation with the Kentucky Department of Education and the Council on Postsecondary Education) a statewide data system for the collection, interpretation, and dissemination of data relative to the quality of educator preparation, supply, demand, and effectiveness. The board establishes performance-based standards for teacher/administrator preparation and induction, and for the accreditation of the 29 preparation programs at Kentucky's public and independent colleges and universities. It oversees the teacher/administrator assessments and the related Title II reporting, and annually publishes the Kentucky Educator Preparation Program Report Card. It administers the Continuing Education Option, in which teachers can use professional development to renew certification and move up in rank. It also administers the supervising teacher stipend program, and alternative routes to certification, including the Troops to Teachers program.

The EPSB annually provides support to approximately 4,700 candidates (student teachers and interns) and 5,500 supervising teachers.

Policy

Notwithstanding KRS 161.030, the Executive Budget provides no funding for the Kentucky Teacher Internship Program.

Energy and Environment

Energy and Environment

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	76,883,500	93,579,500	97,348,900	87,443,600	88,903,000
Continuing Approp-General Fund	610,600				
Budget Reduction-General Fund	-3,552,200				
Mandated Allotments	528,100				
Total General Fund	74,470,000	93,579,500	97,348,900	87,443,600	88,903,000
Tobacco Fund					
Tobacco Settlement - Phase I	5,000,000	5,000,000	5,000,000	2,500,000	2,500,000
Continuing Approp-Tob Settlement	13,896,000				
Total Tobacco Fund	18,896,000	5,000,000	5,000,000	2,500,000	2,500,000
Restricted Funds					
Balance Forward	25,078,400	19,367,600	20,415,300	19,314,300	10,317,500
Current Receipts	24,246,700	25,578,800	26,652,700	32,378,800	40,252,700
Non-Revenue Receipts	68,215,800	67,382,600	69,866,400	67,632,600	70,116,400
Fund Transfers	-8,000,000			-11,500,000	-11,500,000
Total Restricted Funds	109,540,900	112,329,000	116,934,400	107,825,700	109,186,600
Federal Fund					
Current Receipts	74,320,100	87,016,400	87,040,800	87,016,400	87,040,800
Non-Revenue Receipts	-2,305,500	-2,266,700	-2,268,000	-2,266,700	-2,268,000
Total Federal Fund	72,014,600	84,749,700	84,772,800	84,749,700	84,772,800
Road Fund					
Regular Appropriation	320,900	367,400	374,700	320,900	320,900
Total Road Fund	320,900	367,400	374,700	320,900	320,900
TOTAL SOURCE OF FUNDS	275,242,400	296,025,600	304,430,800	282,839,900	285,683,300
EXPENDITURES BY CLASS					
Personnel Costs	129,439,800	154,863,900	158,266,900	146,686,855	147,472,755
Operating Expenses	40,038,900	43,863,400	44,607,700	41,185,220	41,547,120
Grants Loans Benefits	44,334,000	26,473,200	26,213,200	28,245,325	34,790,925
Debt Service	474,000			424,500	849,000
Capital Outlay	10,764,200	7,823,800	7,815,300	6,909,300	6,417,800
Construction	23,809,200	42,586,000	42,774,200	42,586,000	42,774,200
TOTAL EXPENDITURES	248,860,100	275,610,300	279,677,300	266,037,200	273,851,800
EXPENDITURES BY FUND SOURCE					
General Fund	67,402,000	93,579,500	97,348,900	80,958,400	82,417,800
Tobacco Fund	18,896,000	5,000,000	5,000,000	2,500,000	2,500,000
Restricted Funds	90,226,600	91,913,700	92,180,900	97,508,200	103,840,300
Federal Fund	72,014,600	84,749,700	84,772,800	84,749,700	84,772,800
Road Fund	320,900	367,400	374,700	320,900	320,900
TOTAL EXPENDITURES	248,860,100	275,610,300	279,677,300	266,037,200	273,851,800
EXPENDITURES BY UNIT					
Secretary	5,997,000	6,741,100	6,831,200	13,130,500	19,730,900
Environmental Protection	116,884,100	131,013,700	133,380,300	121,230,800	121,584,700
Natural Resources	110,801,100	120,203,600	121,513,300	115,851,700	116,710,100
Energy Development and Independence	2,870,800	3,006,500	3,013,600	2,861,800	2,843,300
Kentucky Nature Preserves Commission	1,999,900	2,378,100	2,418,400	2,218,000	2,238,400
Public Service Commission	10,307,200	12,267,300	12,520,500	10,744,400	10,744,400
TOTAL EXPENDITURES	248,860,100	275,610,300	279,677,300	266,037,200	273,851,800

The Energy and Environment Cabinet is charged with the protection and preservation of land, air and water resources as well as creating efficient, sustainable energy solutions. The Cabinet has three departments: Environmental Protection, Natural Resources, and Energy Development and Independence. Attached for administrative purposes are the Mine Safety Review Commission, the State Nature Preserves Commission, and the Public Service Commission.

A Secretary appointed by the Governor heads the Cabinet. The Secretary is responsible for leadership, monitoring trends and shaping a vision for the future of Kentucky's energy platform and environment.

**Energy and Environment
Secretary**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,059,400	3,852,000	3,966,200	3,330,000	3,372,100
Budget Reduction-General Fund	-156,700				
Total General Fund	2,902,700	3,852,000	3,966,200	3,330,000	3,372,100
Restricted Funds					
Balance Forward	1,048,600	532,600	269,400	532,600	158,000
Current Receipts	35,900	35,900	35,900	6,835,900	13,635,900
Non-Revenue Receipts	1,416,000	1,463,600	1,471,000	1,463,600	1,471,000
Total Restricted Funds	2,500,500	2,032,100	1,776,300	8,832,100	15,264,900
Federal Fund					
Current Receipts	1,155,600	1,155,600	1,155,600	1,155,600	1,155,600
Non-Revenue Receipts	-29,200	-29,200	-29,200	-29,200	-29,200
Total Federal Fund	1,126,400	1,126,400	1,126,400	1,126,400	1,126,400
TOTAL SOURCE OF FUNDS	6,529,600	7,010,500	6,868,900	13,288,500	19,763,400
EXPENDITURES BY CLASS					
Personnel Costs	4,600,200	5,529,600	5,659,700	5,197,900	5,050,100
Operating Expenses	1,135,000	1,171,500	1,171,500	1,132,600	1,080,800
Grants Loans Benefits				6,800,000	13,600,000
Capital Outlay	261,800	40,000			
TOTAL EXPENDITURES	5,997,000	6,741,100	6,831,200	13,130,500	19,730,900
EXPENDITURES BY FUND SOURCE					
General Fund	2,902,700	3,852,000	3,966,200	3,330,000	3,372,100
Restricted Funds	1,967,900	1,762,700	1,738,600	8,674,100	15,232,400
Federal Fund	1,126,400	1,126,400	1,126,400	1,126,400	1,126,400
TOTAL EXPENDITURES	5,997,000	6,741,100	6,831,200	13,130,500	19,730,900
EXPENDITURES BY UNIT					
Administrative Hearings	1,078,500	1,303,100	1,286,000	1,188,900	1,198,700
Ofc of Sec - Leg & Interg Aff - Gen Coun	4,918,500	5,438,000	5,545,200	11,941,600	18,532,200
TOTAL EXPENDITURES	5,997,000	6,741,100	6,831,200	13,130,500	19,730,900

The Office of the Secretary formulates and executes Cabinet policies based on administration priorities, state and federal statutes, regulations and legislative initiatives. The Office of the Secretary responds to concerns of the general public and initiates public information and education efforts.

The Office of Legislative and Intergovernmental Affairs is responsible for communicating programmatic and policy information to stakeholders including the legislature and local governments.

The Office of Legal Services provides litigation and other legal services for the Cabinet.

The Office of Administrative Hearings conducts administrative appeal hearings and issues recommended orders for review by the Secretary.

Policy

The restricted fund appropriation above includes \$6,800,000 in fiscal year 2018-2019 and \$13,600,000 in fiscal year 2019-2020 to administer the Consent Decrees in *Volkswagen "Clean Diesel" Marketing, Sales Practices, and Products Liability Litigation*. The funds shall be expended to reduce vehicle air pollution and support public transportation.

**Energy and Environment
Environmental Protection**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	22,298,600	36,689,200	39,174,200	27,665,900	28,567,500
Budget Reduction-General Fund	-1,142,300				
Total General Fund	21,156,300	36,689,200	39,174,200	27,665,900	28,567,500
Restricted Funds					
Balance Forward	13,674,900	13,489,600	16,860,800	13,436,300	6,270,600
Current Receipts	20,801,900	22,756,600	23,943,100	22,756,600	23,943,100
Non-Revenue Receipts	58,313,500	53,450,000	55,817,600	53,700,000	56,067,600
Fund Transfers	-8,000,000			-11,500,000	-11,500,000
Total Restricted Funds	84,790,300	89,696,200	96,621,500	78,392,900	74,781,300
Federal Fund					
Current Receipts	25,043,500	22,083,700	21,684,700	22,083,700	21,684,700
Non-Revenue Receipts	-990,600	-962,000	-961,200	-962,000	-961,200
Total Federal Fund	24,052,900	21,121,700	20,723,500	21,121,700	20,723,500
Road Fund					
Regular Appropriation	320,900	367,400	374,700	320,900	320,900
Total Road Fund	320,900	367,400	374,700	320,900	320,900
TOTAL SOURCE OF FUNDS	130,320,400	147,874,500	156,893,900	127,501,400	124,393,200
EXPENDITURES BY CLASS					
Personnel Costs	66,042,500	78,281,200	80,060,300	72,380,100	72,628,700
Operating Expenses	28,437,700	30,715,800	31,532,100	28,783,600	29,216,200
Grants Loans Benefits	16,103,500	16,269,300	16,139,900	14,709,700	14,580,300
Debt Service				424,500	849,000
Capital Outlay	6,200,400	5,647,400	5,548,000	4,832,900	4,210,500
Construction	100,000	100,000	100,000	100,000	100,000
TOTAL EXPENDITURES	116,884,100	131,013,700	133,380,300	121,230,800	121,584,700
EXPENDITURES BY FUND SOURCE					
General Fund	21,156,300	36,689,200	39,174,200	27,665,900	28,567,500
Restricted Funds	71,354,000	72,835,400	73,107,900	72,122,300	71,972,800
Federal Fund	24,052,900	21,121,700	20,723,500	21,121,700	20,723,500
Road Fund	320,900	367,400	374,700	320,900	320,900
TOTAL EXPENDITURES	116,884,100	131,013,700	133,380,300	121,230,800	121,584,700
EXPENDITURES BY UNIT					
Commissioner	726,900	887,400	907,800	865,300	863,500
Water	28,001,700	30,666,900	31,100,200	28,287,900	29,024,900
Waste Management	30,894,200	35,318,300	35,683,300	30,082,600	29,213,300
Air Quality	17,229,100	19,963,800	20,250,400	18,691,900	18,298,300
Environmental Program Support	8,006,600	8,878,800	8,956,600	8,476,900	8,524,800
Enforcement	2,054,200	2,354,600	2,406,500	2,263,500	2,299,100
Compliance Assistance	2,223,000	2,177,200	2,215,500	2,022,800	1,954,800
Petroleum Storage Tank	27,748,400	30,766,700	31,860,000	30,539,900	31,406,000
Environmental Assurance Fund					
TOTAL EXPENDITURES	116,884,100	131,013,700	133,380,300	121,230,800	121,584,700

The Department for Environmental Protection is responsible for the protection of the environment through the prevention, abatement, and control of water, land, and air pollution. The Department is also responsible for the Maxey Flats low-level nuclear waste disposal site.

**Energy and Environment
Environmental Protection
Commissioner**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	394,800	620,100	673,100	607,800	619,000
Budget Reduction-General Fund	-27,400				
Other	124,800				
Total General Fund	492,200	620,100	673,100	607,800	619,000
Restricted Funds					
Balance Forward	42,200	39,000	3,200	39,000	13,000
Non-Revenue Receipts	231,500	231,500	231,500	231,500	231,500
Total Restricted Funds	273,700	270,500	234,700	270,500	244,500
TOTAL SOURCE OF FUNDS	765,900	890,600	907,800	878,300	863,500
EXPENDITURES BY CLASS					
Personnel Costs	670,100	827,200	847,600	807,200	805,400
Operating Expenses	56,800	60,200	60,200	58,100	58,100
TOTAL EXPENDITURES	726,900	887,400	907,800	865,300	863,500
EXPENDITURES BY FUND SOURCE					
General Fund	492,200	620,100	673,100	607,800	619,000
Restricted Funds	234,700	267,300	234,700	257,500	244,500
TOTAL EXPENDITURES	726,900	887,400	907,800	865,300	863,500

The Office of the Commissioner, pursuant to KRS 224.10-020(1), provides leadership, policy direction, and management for the Department for Environmental Protection.

**Energy and Environment
Environmental Protection**

Water

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	9,881,000	15,947,600	16,210,200	13,615,100	14,188,700
Budget Reduction-General Fund	-537,300				
Other	361,600				
Total General Fund	9,705,300	15,947,600	16,210,200	13,615,100	14,188,700
Restricted Funds					
Balance Forward	1,927,100	275,500		275,500	
Current Receipts	1,674,100	1,445,200	2,126,300	1,445,200	2,126,300
Non-Revenue Receipts	291,600	388,500	384,700	388,500	384,700
Total Restricted Funds	3,892,800	2,109,200	2,511,000	2,109,200	2,511,000
Federal Fund					
Current Receipts	14,897,900	12,762,800	12,520,600	12,762,800	12,520,600
Non-Revenue Receipts	-539,700	-520,100	-516,300	-520,100	-516,300
Total Federal Fund	14,358,200	12,242,700	12,004,300	12,242,700	12,004,300
Road Fund					
Regular Appropriation	320,900	367,400	374,700	320,900	320,900
Total Road Fund	320,900	367,400	374,700	320,900	320,900
TOTAL SOURCE OF FUNDS	28,277,200	30,666,900	31,100,200	28,287,900	29,024,900
EXPENDITURES BY CLASS					
Personnel Costs	21,150,300	25,299,200	25,865,100	23,710,400	23,861,000
Operating Expenses	3,212,200	3,411,800	3,407,400	2,362,100	2,681,200
Grants Loans Benefits	3,257,200	1,755,900	1,633,700	1,755,900	1,633,700
Debt Service				424,500	849,000
Capital Outlay	382,000	200,000	194,000	35,000	
TOTAL EXPENDITURES	28,001,700	30,666,900	31,100,200	28,287,900	29,024,900
EXPENDITURES BY FUND SOURCE					
General Fund	9,705,300	15,947,600	16,210,200	13,615,100	14,188,700
Restricted Funds	3,617,300	2,109,200	2,511,000	2,109,200	2,511,000
Federal Fund	14,358,200	12,242,700	12,004,300	12,242,700	12,004,300
Road Fund	320,900	367,400	374,700	320,900	320,900
TOTAL EXPENDITURES	28,001,700	30,666,900	31,100,200	28,287,900	29,024,900

The Division of Water, pursuant to KRS Chapters 146, 149, 151, 220, 223, 224, 224A, 261, 350.029, 350.275 and federal law including PL 92-500 as amended (the Clean Water Act) and 92-523 as amended (the Safe Drinking Water Act), is responsible for administering programs for: ensuring a safe drinking water supply, water quality planning and monitoring, stormwater management, dam safety, groundwater protection, wastewater treatment and sewer line construction, water conservation, and regulation development.

The Division administers programs relating to groundwater protection plans, Total Maximum Daily Load Plans, the Non-Point Source 319(h) Grant program, watershed management, dam safety inspections, floodplain management, 401 Water Quality Certifications, water quality standards, water quality monitoring and assessment, Clean Water and Drinking Water State Revolving Loan programs, Kentucky Pollution Discharge Elimination System permitting, confined animal feeding operations compliance, and logging operations.

Policy

The Executive Budget includes General Fund debt service in the amount of \$424,500 in fiscal year 2018-2019 and \$849,000 in fiscal year 2019-2020 to support new bonds as set forth in Part II, Capital Projects Budget.

**Energy and Environment
Environmental Protection
Waste Management**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,205,100	11,256,300	12,674,200	5,703,400	5,886,400
Budget Reduction-General Fund	-260,400				
Other	-361,600				
Total General Fund	4,583,100	11,256,300	12,674,200	5,703,400	5,886,400
Restricted Funds					
Balance Forward	5,412,700	4,834,800	1,265,700	4,834,800	948,500
Current Receipts	3,914,400	3,804,400	3,804,400	3,804,400	3,804,400
Non-Revenue Receipts	16,424,300	11,312,700	13,653,100	11,312,700	13,653,100
Total Restricted Funds	25,751,400	19,951,900	18,723,200	19,951,900	18,406,000
Federal Fund					
Current Receipts	5,695,700	5,675,300	5,606,700	5,675,300	5,606,700
Non-Revenue Receipts	-301,200	-299,500	-301,200	-299,500	-301,200
Total Federal Fund	5,394,500	5,375,800	5,305,500	5,375,800	5,305,500
TOTAL SOURCE OF FUNDS	35,729,000	36,584,000	36,702,900	31,031,100	29,597,900
EXPENDITURES BY CLASS					
Personnel Costs	14,697,200	17,143,500	17,453,600	14,466,400	14,256,300
Operating Expenses	2,677,500	2,760,400	2,763,100	2,123,400	1,726,100
Grants Loans Benefits	12,034,500	14,014,400	14,014,400	12,454,800	12,454,800
Capital Outlay	1,385,000	1,300,000	1,352,200	938,000	676,100
Construction	100,000	100,000	100,000	100,000	100,000
TOTAL EXPENDITURES	30,894,200	35,318,300	35,683,300	30,082,600	29,213,300
EXPENDITURES BY FUND SOURCE					
General Fund	4,583,100	11,256,300	12,674,200	5,703,400	5,886,400
Restricted Funds	20,916,600	18,686,200	17,703,600	19,003,400	18,021,400
Federal Fund	5,394,500	5,375,800	5,305,500	5,375,800	5,305,500
TOTAL EXPENDITURES	30,894,200	35,318,300	35,683,300	30,082,600	29,213,300

The Division of Waste Management, pursuant to KRS 224, administers programs that regulate the generation, transportation, storage, treatment, and disposal of all hazardous and solid wastes in the state. Additional responsibilities include resources use and recycling initiatives, technical assistance to counties, and solid waste management districts to facilitate compliance with 401 KAR, Chapter 49. The Division is also responsible for investigation and restoration duties at abandoned hazardous waste disposal sites and citizen education concerning waste management issues. The Division also administers the Voluntary Environmental Remediation Act and the Certified Clean Counties initiative.

Pursuant to KRS 224.43-505, the Division manages the Kentucky Pride Fund, which encourages proper solid waste management in Kentucky through waste reduction, recycling, proper closure of abandoned landfills, education, proper collection and disposal of solid waste, elimination of illegal open dumps, and abatement of litter.

Maxey Flats, once a low-level nuclear waste disposal site and closed in 1977, was designated to be in its Final Closure Period as of November, 2012. This includes the installation of a permanent vegetative cap, permanent surface water control features, and surface monuments to identify the location of buried waste. This project was funded in the 2012-14 biennial budget from private funds paid into a trust fund by the Private Settling Parties and from General Fund supported bonds. The final cap was substantially completed in November, 2016. The Commonwealth of Kentucky assumed ownership and responsibility for the toxic site in 1978, and is responsible for long-term monitoring and maintenance activities of the site in perpetuity. Ongoing monitoring and maintenance is funded from the General Fund.

**Energy and Environment
Environmental Protection**

Air Quality

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		533,900	1,003,200		
Total General Fund		533,900	1,003,200		
Restricted Funds					
Balance Forward	1,154,400	573,200		573,200	738,000
Current Receipts	14,592,800	17,001,400	17,391,800	17,001,400	17,391,800
Non-Revenue Receipts	93,500	87,000	88,300	87,000	88,300
Total Restricted Funds	15,840,700	17,661,600	17,480,100	17,661,600	18,218,100
Federal Fund					
Current Receipts	2,055,100	1,855,300	1,855,400	1,855,300	1,855,400
Non-Revenue Receipts	-93,500	-87,000	-88,300	-87,000	-88,300
Total Federal Fund	1,961,600	1,768,300	1,767,100	1,768,300	1,767,100
TOTAL SOURCE OF FUNDS	17,802,300	19,963,800	20,250,400	19,429,900	19,985,200
EXPENDITURES BY CLASS					
Personnel Costs	14,234,900	16,996,100	17,438,300	15,798,300	15,966,800
Operating Expenses	2,188,500	2,228,300	2,228,300	2,268,700	2,032,100
Grants Loans Benefits	65,000	65,000	65,000	65,000	65,000
Capital Outlay	740,700	674,400	518,800	559,900	234,400
TOTAL EXPENDITURES	17,229,100	19,963,800	20,250,400	18,691,900	18,298,300
EXPENDITURES BY FUND SOURCE					
General Fund		533,900	1,003,200		
Restricted Funds	15,267,500	17,661,600	17,480,100	16,923,600	16,531,200
Federal Fund	1,961,600	1,768,300	1,767,100	1,768,300	1,767,100
TOTAL EXPENDITURES	17,229,100	19,963,800	20,250,400	18,691,900	18,298,300

The Division of Air Quality is responsible for the identification and implementation of measures necessary to achieve and maintain ambient air quality standards as mandated by the federal Clean Air Act and KRS 224.10-100. The Division accomplishes its mission through air quality monitoring, permitting, source inspections and enforcement to ensure compliance with air pollution laws and regulations.

The 1990 Clean Air Act Amendments imposed new permitting requirements to protect air quality. Federal law requires that an emission fee be levied on facilities with significant air pollutants to fund the implementation of the new requirements. If a state does not have continued authorization, the fee will be collected by the U.S. Environmental Protection Agency to fund a federal permitting program. The Division has been granted authority to enforce portions of the Clean Air Act in the Commonwealth. Under that authority the Division operates the Title V Operating Permit Program, and costs associated therewith are funded through emission fees assessed pursuant to the Clean Air Act and KRS 224.20-050.

**Energy and Environment
Environmental Protection
Environmental Program Support**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,586,300	6,837,000	6,977,800	6,436,400	6,546,000
Budget Reduction-General Fund	-258,800				
Total General Fund	5,327,500	6,837,000	6,977,800	6,436,400	6,546,000
Restricted Funds					
Balance Forward	529,500	1,300			
Current Receipts	90,000	90,000	90,000	90,000	90,000
Non-Revenue Receipts	1,498,800	1,646,800	1,673,400	1,646,800	1,673,400
Total Restricted Funds	2,118,300	1,738,100	1,763,400	1,736,800	1,763,400
Federal Fund					
Current Receipts	560,800	303,700	215,400	303,700	215,400
Total Federal Fund	560,800	303,700	215,400	303,700	215,400
TOTAL SOURCE OF FUNDS	8,006,600	8,878,800	8,956,600	8,476,900	8,524,800
EXPENDITURES BY CLASS					
Personnel Costs	6,064,100	7,092,000	7,167,000	7,156,700	7,205,900
Operating Expenses	1,661,000	1,604,800	1,604,800	1,311,200	1,317,100
Grants Loans Benefits	1,800	9,000	1,800	9,000	1,800
Capital Outlay	279,700	173,000	183,000		
TOTAL EXPENDITURES	8,006,600	8,878,800	8,956,600	8,476,900	8,524,800
EXPENDITURES BY FUND SOURCE					
General Fund	5,327,500	6,837,000	6,977,800	6,436,400	6,546,000
Restricted Funds	2,118,300	1,738,100	1,763,400	1,736,800	1,763,400
Federal Fund	560,800	303,700	215,400	303,700	215,400
TOTAL EXPENDITURES	8,006,600	8,878,800	8,956,600	8,476,900	8,524,800

The Division of Environmental Program Support provides support to the Department in the areas of laboratory services, personnel, budget, information technology and overall administration. The Division provides centralized laboratory testing for the Department. The Division also supports and directs the activities of the Environmental Response Team and is responsible for the cabinet's twenty-four (24) hour environmental response line. Activities are conducted pursuant to KRS 224.10-100(7).

**Energy and Environment
Environmental Protection
Enforcement**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	922,400	1,146,400	1,186,000	1,082,900	1,103,000
Budget Reduction-General Fund	-48,500				
Total General Fund	873,900	1,146,400	1,186,000	1,082,900	1,103,000
Restricted Funds					
Balance Forward	108,400	52,000	24,400		
Non-Revenue Receipts	703,800	812,500	828,000	812,500	828,000
Total Restricted Funds	812,200	864,500	852,400	812,500	828,000
Federal Fund					
Current Receipts	390,300	390,300	390,300	390,300	390,300
Non-Revenue Receipts	-22,200	-22,200	-22,200	-22,200	-22,200
Total Federal Fund	368,100	368,100	368,100	368,100	368,100
TOTAL SOURCE OF FUNDS	2,054,200	2,379,000	2,406,500	2,263,500	2,299,100
EXPENDITURES BY CLASS					
Personnel Costs	1,830,900	2,131,300	2,183,200	2,041,700	2,077,300
Operating Expenses	223,300	223,300	223,300	221,800	221,800
TOTAL EXPENDITURES	2,054,200	2,354,600	2,406,500	2,263,500	2,299,100
EXPENDITURES BY FUND SOURCE					
General Fund	873,900	1,146,400	1,186,000	1,082,900	1,103,000
Restricted Funds	812,200	840,100	852,400	812,500	828,000
Federal Fund	368,100	368,100	368,100	368,100	368,100
TOTAL EXPENDITURES	2,054,200	2,354,600	2,406,500	2,263,500	2,299,100

The Division of Enforcement, pursuant to KRS 224.10-050, is responsible for effective and timely enforcement of Kentucky's environmental laws pertaining to air, waste, and water. The Division carries out enforcement actions against corporations and individuals who are out of compliance with environmental law and/or regulations.

**Energy and Environment
Environmental Protection
Compliance Assistance**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	309,000	347,900	449,700	220,300	224,400
Budget Reduction-General Fund	-9,900				
Other	-124,800				
Total General Fund	174,300	347,900	449,700	220,300	224,400
Restricted Funds					
Balance Forward	602,700	544,100	274,300	544,100	301,100
Current Receipts	370,600	255,600	370,600	255,600	370,600
Non-Revenue Receipts	209,800	240,800	283,800	240,800	283,800
Total Restricted Funds	1,183,100	1,040,500	928,700	1,040,500	955,500
Federal Fund					
Current Receipts	1,443,700	1,096,300	1,096,300	1,096,300	1,096,300
Non-Revenue Receipts	-34,000	-33,200	-33,200	-33,200	-33,200
Total Federal Fund	1,409,700	1,063,100	1,063,100	1,063,100	1,063,100
TOTAL SOURCE OF FUNDS	2,767,100	2,451,500	2,441,500	2,323,900	2,243,000
EXPENDITURES BY CLASS					
Personnel Costs	1,288,600	1,576,600	1,614,900	1,425,400	1,433,900
Operating Expenses	249,400	255,600	255,600	252,400	175,900
Grants Loans Benefits	685,000	345,000	345,000	345,000	345,000
TOTAL EXPENDITURES	2,223,000	2,177,200	2,215,500	2,022,800	1,954,800
EXPENDITURES BY FUND SOURCE					
General Fund	174,300	347,900	449,700	220,300	224,400
Restricted Funds	639,000	766,200	702,700	739,400	667,300
Federal Fund	1,409,700	1,063,100	1,063,100	1,063,100	1,063,100
TOTAL EXPENDITURES	2,223,000	2,177,200	2,215,500	2,022,800	1,954,800

The Division of Compliance Assistance supports the Cabinet's environmental mission by providing training and technical assistance to regulated facilities, helping communities in brownfield redevelopment efforts, certifying environmental professionals and encouraging environmental leadership.

**Energy and Environment
Environmental Protection
Petroleum Storage Tank Environmental Assurance Fund**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	3,897,900	7,169,700	15,293,200	7,169,700	4,270,000
Current Receipts	160,000	160,000	160,000	160,000	160,000
Non-Revenue Receipts	38,860,200	38,730,200	38,674,800	38,980,200	38,924,800
Fund Transfers	-8,000,000			-11,500,000	-11,500,000
Total Restricted Funds	34,918,100	46,059,900	54,128,000	34,809,900	31,854,800
TOTAL SOURCE OF FUNDS	34,918,100	46,059,900	54,128,000	34,809,900	31,854,800
EXPENDITURES BY CLASS					
Personnel Costs	6,106,400	7,215,300	7,490,600	6,974,000	7,022,100
Operating Expenses	18,169,000	20,171,400	20,989,400	20,185,900	21,003,900
Grants Loans Benefits	60,000	80,000	80,000	80,000	80,000
Capital Outlay	3,413,000	3,300,000	3,300,000	3,300,000	3,300,000
TOTAL EXPENDITURES	27,748,400	30,766,700	31,860,000	30,539,900	31,406,000
EXPENDITURES BY FUND SOURCE					
Restricted Funds	27,748,400	30,766,700	31,860,000	30,539,900	31,406,000
TOTAL EXPENDITURES	27,748,400	30,766,700	31,860,000	30,539,900	31,406,000

The Petroleum Storage Tank Environmental Assurance Fund (PSTEAF), pursuant to KRS Chapter 224.60, assists owners and operators of underground storage tanks to meet federal environmental mandates and provides reimbursement for eligible clean-up costs and third party damages in the event of a release into the environment. Pursuant to KRS 224.60-130, the Fund is managed by the Department for Environmental Protection, Division of Waste Management.

Energy and Environment

Natural Resources

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	32,632,200	39,054,600	39,935,000	37,228,700	37,702,200
Budget Reduction-General Fund	-1,671,700				
Mandated Allotments	528,100				
Total General Fund	31,488,600	39,054,600	39,935,000	37,228,700	37,702,200
Tobacco Fund					
Tobacco Settlement - Phase I	5,000,000	5,000,000	5,000,000	2,500,000	2,500,000
Continuing Approp-Tob Settlement	13,896,000				
Total Tobacco Fund	18,896,000	5,000,000	5,000,000	2,500,000	2,500,000
Restricted Funds					
Balance Forward	6,756,400	2,226,100	1,246,500	2,226,100	1,272,500
Current Receipts	2,778,600	2,484,100	2,484,100	2,484,100	2,484,100
Non-Revenue Receipts	7,349,000	11,260,400	11,369,200	11,260,400	11,369,200
Total Restricted Funds	16,884,000	15,970,600	15,099,800	15,970,600	15,125,800
Federal Fund					
Current Receipts	46,743,200	62,425,800	62,849,200	62,425,800	62,849,200
Non-Revenue Receipts	-984,600	-1,000,900	-1,003,000	-1,000,900	-1,003,000
Total Federal Fund	45,758,600	61,424,900	61,846,200	61,424,900	61,846,200
TOTAL SOURCE OF FUNDS	113,027,200	121,450,100	121,881,000	117,124,200	117,174,200
EXPENDITURES BY CLASS					
Personnel Costs	47,525,500	56,611,500	57,764,400	56,040,055	56,682,955
Operating Expenses	8,538,400	9,902,600	9,830,600	9,627,820	9,608,920
Grants Loans Benefits	26,922,900	9,181,600	9,091,300	5,735,925	5,651,225
Capital Outlay	4,105,100	2,021,900	2,152,800	1,961,900	2,092,800
Construction	23,709,200	42,486,000	42,674,200	42,486,000	42,674,200
TOTAL EXPENDITURES	110,801,100	120,203,600	121,513,300	115,851,700	116,710,100
EXPENDITURES BY FUND SOURCE					
General Fund	31,488,600	39,054,600	39,935,000	37,228,700	37,702,200
Tobacco Fund	18,896,000	5,000,000	5,000,000	2,500,000	2,500,000
Restricted Funds	14,657,900	14,724,100	14,732,100	14,698,100	14,661,700
Federal Fund	45,758,600	61,424,900	61,846,200	61,424,900	61,846,200
TOTAL EXPENDITURES	110,801,100	120,203,600	121,513,300	115,851,700	116,710,100
EXPENDITURES BY UNIT					
Commissioner	1,211,300	1,538,500	1,419,800	1,466,500	1,310,900
Forestry	17,183,700	18,051,000	18,246,800	19,221,100	19,332,500
Technical and Administrative Support	562,600	639,900	652,700	533,300	533,300
Conservation	22,998,600	9,272,200	9,309,700	5,334,800	5,359,800
Oil and Gas	2,310,300	2,796,600	2,853,900	2,477,500	2,587,000
Mine Permits	5,293,400	6,153,700	6,277,800	5,716,600	5,684,700
Mine Reclamation and Enforcement	13,714,500	15,090,800	15,318,900	14,883,400	15,017,100
Abandoned Mine Lands	14,738,400	18,141,500	18,498,600	18,116,800	18,471,500
Mine Safety	9,668,000	10,772,600	11,132,900	10,372,400	10,671,400
Reclamation Guaranty Fund	957,800	1,974,800	1,985,800	1,974,800	1,943,800
Abandoned Mine Land Reclamation Projects	22,108,500	35,551,100	35,591,400	35,551,100	35,591,400
Mine Safety Review Commission	54,000	220,900	225,000	203,400	206,700
TOTAL EXPENDITURES	110,801,100	120,203,600	121,513,300	115,851,700	116,710,100

The Department for Natural Resources' mission is to preserve, protect, and enhance the Commonwealth's natural land resources.

The Department oversees activities and programs related to forestry, conservation, mining, oil and gas, and land preservation. The Department, through its divisions and partnerships, provides technical assistance, educational programs, and funding to assist the general public, landowners, institutions, industries, and communities in conserving and sustaining Kentucky's natural resources. In addition, the Department is responsible for the inspection of timber harvests, mining operations, and oil and gas wells to ensure compliance with laws that protect the public, the environment, and Kentucky's coal miners.

**Energy and Environment
Natural Resources
Commissioner**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	720,700	1,067,100	954,900	995,100	846,000
Budget Reduction-General Fund	-62,300				
Total General Fund	658,400	1,067,100	954,900	995,100	846,000
Restricted Funds					
Balance Forward	86,900				
Non-Revenue Receipts	466,000	471,400	464,900	471,400	464,900
Total Restricted Funds	552,900	471,400	464,900	471,400	464,900
TOTAL SOURCE OF FUNDS	1,211,300	1,538,500	1,419,800	1,466,500	1,310,900
EXPENDITURES BY CLASS					
Personnel Costs	1,110,900	1,435,000	1,316,300	1,387,200	1,210,800
Operating Expenses	100,400	103,500	103,500	79,300	100,100
TOTAL EXPENDITURES	1,211,300	1,538,500	1,419,800	1,466,500	1,310,900
EXPENDITURES BY FUND SOURCE					
General Fund	658,400	1,067,100	954,900	995,100	846,000
Restricted Funds	552,900	471,400	464,900	471,400	464,900
TOTAL EXPENDITURES	1,211,300	1,538,500	1,419,800	1,466,500	1,310,900

The Office of the Commissioner provides leadership, policy direction, and management for the Department for Natural Resources. The Commissioner provides guidance in policy and program implementation for the sustainability of Kentucky's natural resources and the safety of Kentucky's miners.

**Energy and Environment
Natural Resources**

Forestry

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	10,710,700	12,869,200	13,166,100	14,040,700	14,253,200
Budget Reduction-General Fund	-520,600				
Mandated Allotments	528,100				
Total General Fund	10,718,200	12,869,200	13,166,100	14,040,700	14,253,200
Restricted Funds					
Balance Forward	1,464,300	239,900	165,100	239,900	166,500
Current Receipts	1,435,000	1,232,400	1,232,400	1,232,400	1,232,400
Non-Revenue Receipts	12,900	81,400	81,400	81,400	81,400
Total Restricted Funds	2,912,200	1,553,700	1,478,900	1,553,700	1,480,300
Federal Fund					
Current Receipts	3,870,300	3,865,800	3,865,800	3,865,800	3,865,800
Non-Revenue Receipts	-77,100	-72,600	-72,600	-72,600	-72,600
Total Federal Fund	3,793,200	3,793,200	3,793,200	3,793,200	3,793,200
TOTAL SOURCE OF FUNDS	17,423,600	18,216,100	18,438,200	19,387,600	19,526,700
EXPENDITURES BY CLASS					
Personnel Costs	11,311,700	13,104,500	13,401,400	13,817,880	14,021,280
Operating Expenses	2,217,500	2,352,500	2,340,500	2,869,220	2,866,320
Grants Loans Benefits	1,355,200	967,900	957,900	967,900	957,900
Capital Outlay	2,299,300	1,626,100	1,547,000	1,566,100	1,487,000
TOTAL EXPENDITURES	17,183,700	18,051,000	18,246,800	19,221,100	19,332,500
EXPENDITURES BY FUND SOURCE					
General Fund	10,718,200	12,869,200	13,166,100	14,040,700	14,253,200
Restricted Funds	2,672,300	1,388,600	1,287,500	1,387,200	1,286,100
Federal Fund	3,793,200	3,793,200	3,793,200	3,793,200	3,793,200
TOTAL EXPENDITURES	17,183,700	18,051,000	18,246,800	19,221,100	19,332,500

In accordance with KRS 149 the Division of Forestry provides technical assistance on sound forest management practices; provides forest stewardship assistance to private landowners; assists timber operators and wood-using industries; grows and distributes tree seedlings at low cost for timber production; and provides urban and community forestry technical assistance to provide sustainability of the Commonwealth's 11.9 million acres of forestland.

The Division enforces the Kentucky Forest Conservation Act (149.330 – 149.355); the Division is responsible for inspecting logging operations and enforcing compliance with the Kentucky Master Logger Program and Best Management Practices to protect water quality. In addition, the Division maintains an inventory of Kentucky's forests. The Division provides administrative oversight to the Forestry Best Management Practices Board.

The Kentucky Division of Forestry is mandated to provide wildland fire protection for the Commonwealth. The Division has established a statewide system of wildland fire prevention, detection and suppression.

Policy

The Executive Budget includes General Fund in the amount of \$2,260,000 in each fiscal year for the Division of Forestry for costs that were previously considered a necessary government expense. Expenses that exceed this amount will be considered a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

The Executive Budget provides no General Fund for the operational costs of state tree nurseries.

**Energy and Environment
Natural Resources
Technical and Administrative Support**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		106,600	119,400		
Total General Fund		106,600	119,400		
Restricted Funds					
Balance Forward	29,300				
Non-Revenue Receipts	533,300	533,300	533,300	533,300	533,300
Total Restricted Funds	562,600	533,300	533,300	533,300	533,300
TOTAL SOURCE OF FUNDS	562,600	639,900	652,700	533,300	533,300
EXPENDITURES BY CLASS					
Personnel Costs	453,600	525,900	538,700	447,900	447,900
Operating Expenses	109,000	114,000	114,000	85,400	85,400
TOTAL EXPENDITURES	562,600	639,900	652,700	533,300	533,300
EXPENDITURES BY FUND SOURCE					
General Fund		106,600	119,400		
Restricted Funds	562,600	533,300	533,300	533,300	533,300
TOTAL EXPENDITURES	562,600	639,900	652,700	533,300	533,300

The Division of Technical and Administrative Support, pursuant to KRS 224.10-020, provides general support to all divisions and programs in the Department for Natural Resources. The Division is responsible for the development, coordination and implementation of all administrative processes within the Department including fiscal affairs, human resources, property management, purchasing, and state and federal program administration. The Division provides technical expertise to develop and implement state and federal regulations relating to surface mining, abandoned mine lands, oil and gas conservation, mine safety, forestry, and conservation. The Division also coordinates information technology processes and applications within the Department in accordance with cabinet, state, and federal guidelines.

**Energy and Environment
Natural Resources
Conservation**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,928,500	2,305,500	2,343,000	868,000	893,000
Budget Reduction-General Fund	-57,900				
Total General Fund	1,870,600	2,305,500	2,343,000	868,000	893,000
Tobacco Fund					
Tobacco Settlement - Phase I	5,000,000	5,000,000	5,000,000	2,500,000	2,500,000
Continuing Approp-Tob Settlement	13,896,000				
Total Tobacco Fund	18,896,000	5,000,000	5,000,000	2,500,000	2,500,000
Restricted Funds					
Balance Forward	2,638,700	1,669,500	851,600	1,669,500	851,500
Current Receipts	67,900	100	100	100	100
Non-Revenue Receipts	262,800	262,300	262,300	262,300	262,300
Total Restricted Funds	2,969,400	1,931,900	1,114,000	1,931,900	1,113,900
Federal Fund					
Current Receipts	935,600	889,400	889,400	889,400	889,400
Non-Revenue Receipts	-3,500	-3,000	-3,000	-3,000	-3,000
Total Federal Fund	932,100	886,400	886,400	886,400	886,400
TOTAL SOURCE OF FUNDS	24,668,100	10,123,800	9,343,400	6,186,300	5,393,300
EXPENDITURES BY CLASS					
Personnel Costs	1,333,000	1,620,900	1,658,400	1,265,875	1,285,175
Operating Expenses	179,100	184,600	184,600	47,900	48,000
Grants Loans Benefits	21,486,500	7,466,700	7,466,700	4,021,025	4,026,625
TOTAL EXPENDITURES	22,998,600	9,272,200	9,309,700	5,334,800	5,359,800
EXPENDITURES BY FUND SOURCE					
General Fund	1,870,600	2,305,500	2,343,000	868,000	893,000
Tobacco Fund	18,896,000	5,000,000	5,000,000	2,500,000	2,500,000
Restricted Funds	1,299,900	1,080,300	1,080,300	1,080,400	1,080,400
Federal Fund	932,100	886,400	886,400	886,400	886,400
TOTAL EXPENDITURES	22,998,600	9,272,200	9,309,700	5,334,800	5,359,800

The Division of Conservation provides assistance to Kentucky's 121 conservation districts in the development and implementation of sound conservation programs to protect, enhance, and develop the Commonwealth's natural resources.

The Division administers the Kentucky Soil Erosion and Water Quality Cost Share Program and the Kentucky Soil Stewardship Program to help agricultural operations protect and preserve Kentucky's soil and water resources. The Division provides administrative services to the State Soil and Water Conservation Commission. The Division and the conservation districts provide educational opportunities to promote conservation of Kentucky's natural resources. These programs mitigate soil erosion, and other environmental problems associated with agricultural, woodland and construction operations which impact water quality.

Policy

The Executive Budget provides no General Fund for the aid to local conservation districts.

The Executive Budget provides Phase I Tobacco Settlement Funds in the amount of \$2,500,000 in each fiscal year for the state share of the Environmental Stewardship Program.

Energy and Environment

Natural Resources

Oil and Gas

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,870,700	2,453,700	2,511,000	2,134,600	2,244,100
Budget Reduction-General Fund	-99,800				
Total General Fund	1,770,900	2,453,700	2,511,000	2,134,600	2,244,100
Restricted Funds					
Balance Forward	181,000				
Current Receipts	221,400	221,400	221,400	221,400	221,400
Non-Revenue Receipts	-13,000	-13,000	-13,000	-13,000	-13,000
Total Restricted Funds	389,400	208,400	208,400	208,400	208,400
Federal Fund					
Current Receipts	160,500	145,000	145,000	145,000	145,000
Non-Revenue Receipts	-10,500	-10,500	-10,500	-10,500	-10,500
Total Federal Fund	150,000	134,500	134,500	134,500	134,500
TOTAL SOURCE OF FUNDS	2,310,300	2,796,600	2,853,900	2,477,500	2,587,000
EXPENDITURES BY CLASS					
Personnel Costs	1,779,900	2,349,200	2,406,500	2,250,100	2,285,400
Operating Expenses	372,100	379,100	379,100	159,100	233,300
Grants Loans Benefits	38,300	38,300	38,300	38,300	38,300
Capital Outlay	120,000	30,000	30,000	30,000	30,000
TOTAL EXPENDITURES	2,310,300	2,796,600	2,853,900	2,477,500	2,587,000
EXPENDITURES BY FUND SOURCE					
General Fund	1,770,900	2,453,700	2,511,000	2,134,600	2,244,100
Restricted Funds	389,400	208,400	208,400	208,400	208,400
Federal Fund	150,000	134,500	134,500	134,500	134,500
TOTAL EXPENDITURES	2,310,300	2,796,600	2,853,900	2,477,500	2,587,000

The Division of Oil and Gas, pursuant to KRS Chapter 353, is responsible for the conservation of oil and gas resources of the Commonwealth and for the protection of correlative rights of mineral owners. The Division's mission is to prevent waste and unnecessary loss, to encourage the maximum recovery of oil and gas, to promote safety, and to prevent contamination of underground water resources. The Division is also charged with the collection of geological data obtained from the drilling of oil and gas wells for deposit in the Kentucky Geological Survey whose records are for public use. The Division is also responsible for the plugging of abandoned wells.

Energy and Environment

Natural Resources

Mine Permits

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,634,300	2,531,500	2,593,700	2,094,400	2,000,600
Budget Reduction-General Fund	-88,500				
Total General Fund	1,545,800	2,531,500	2,593,700	2,094,400	2,000,600
Restricted Funds					
Balance Forward	490,000				
Current Receipts	794,400	745,100	745,100	745,100	745,100
Non-Revenue Receipts	-233,200	-234,400	-234,400	-234,400	-234,400
Total Restricted Funds	1,051,200	510,700	510,700	510,700	510,700
Federal Fund					
Current Receipts	2,827,900	3,241,800	3,303,700	3,241,800	3,303,700
Non-Revenue Receipts	-131,500	-130,300	-130,300	-130,300	-130,300
Total Federal Fund	2,696,400	3,111,500	3,173,400	3,111,500	3,173,400
TOTAL SOURCE OF FUNDS	5,293,400	6,153,700	6,277,800	5,716,600	5,684,700
EXPENDITURES BY CLASS					
Personnel Costs	4,276,700	5,183,200	5,307,300	4,978,500	4,927,100
Operating Expenses	777,300	761,100	761,100	528,700	548,200
Grants Loans Benefits	209,400	209,400	209,400	209,400	209,400
Capital Outlay	30,000				
TOTAL EXPENDITURES	5,293,400	6,153,700	6,277,800	5,716,600	5,684,700
EXPENDITURES BY FUND SOURCE					
General Fund	1,545,800	2,531,500	2,593,700	2,094,400	2,000,600
Restricted Funds	1,051,200	510,700	510,700	510,700	510,700
Federal Fund	2,696,400	3,111,500	3,173,400	3,111,500	3,173,400
TOTAL EXPENDITURES	5,293,400	6,153,700	6,277,800	5,716,600	5,684,700

The Division of Mine Permits, pursuant to KRS 350 and 405 KAR Chapter 8, reviews all surface mining permit applications in accordance with Kentucky law and the federal Surface Mining Control and Reclamation Act. The Division, pursuant to KRS 350.450 and 405 KAR 7:080, administers the federal Small Operator Assistance Program and pursuant to KRS 350.610, the Lands Unsuitable for Mining program. The Division, pursuant to KRS 350.060(13) and 405 KAR 8:040, also reviews underground mining permit applications to determine the surface effects of such operations.

**Energy and Environment
Natural Resources**

Mine Reclamation and Enforcement

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,462,300	7,465,100	7,626,600	7,257,700	7,324,800
Budget Reduction-General Fund	-322,900				
Total General Fund	6,139,400	7,465,100	7,626,600	7,257,700	7,324,800
Restricted Funds					
Balance Forward	336,900				
Current Receipts	51,100	51,100	51,100	51,100	51,100
Non-Revenue Receipts	335,500	327,900	287,600	327,900	287,600
Total Restricted Funds	723,500	379,000	338,700	379,000	338,700
Federal Fund					
Current Receipts	7,149,200	7,534,300	7,641,200	7,534,300	7,641,200
Non-Revenue Receipts	-297,600	-287,600	-287,600	-287,600	-287,600
Total Federal Fund	6,851,600	7,246,700	7,353,600	7,246,700	7,353,600
TOTAL SOURCE OF FUNDS	13,714,500	15,090,800	15,318,900	14,883,400	15,017,100
EXPENDITURES BY CLASS					
Personnel Costs	10,688,700	12,733,400	13,041,800	12,605,100	12,896,000
Operating Expenses	2,136,000	2,213,100	2,213,100	2,134,000	2,057,100
Grants Loans Benefits	139,800	144,300	64,000	144,300	64,000
Capital Outlay	750,000				
TOTAL EXPENDITURES	13,714,500	15,090,800	15,318,900	14,883,400	15,017,100
EXPENDITURES BY FUND SOURCE					
General Fund	6,139,400	7,465,100	7,626,600	7,257,700	7,324,800
Restricted Funds	723,500	379,000	338,700	379,000	338,700
Federal Fund	6,851,600	7,246,700	7,353,600	7,246,700	7,353,600
TOTAL EXPENDITURES	13,714,500	15,090,800	15,318,900	14,883,400	15,017,100

The Division of Mine Reclamation and Enforcement, pursuant to KRS 350, develops policies and procedures for reclamation and enforcement programs related to coal and non-coal minerals. The Division reviews permit applications for non-coal mineral operations pursuant to KRS 350.028 and 405 KAR 5:032. The Division conducts inspection programs to carry out these policies and procedures in accordance with applicable federal and state statutes. Pursuant to KRS 351 and 805 KAR Chapter 4, the Division is charged with ensuring the safety and regulation of all blasting operations within the Commonwealth, which includes the use, storage or transportation of explosives. The Division investigates citizens' complaints relating to surface mining and blasting activities.

**Energy and Environment
Natural Resources
Abandoned Mine Lands**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	1,289,700	316,700	229,800	316,700	254,500
Current Receipts	3,600	3,600	3,600	3,600	3,600
Non-Revenue Receipts	5,581,500	8,313,300	8,463,300	8,313,300	8,463,300
Total Restricted Funds	6,874,800	8,633,600	8,696,700	8,633,600	8,721,400
Federal Fund					
Current Receipts	8,632,600	10,224,700	10,433,600	10,224,700	10,433,600
Non-Revenue Receipts	-452,300	-487,000	-489,100	-487,000	-489,100
Total Federal Fund	8,180,300	9,737,700	9,944,500	9,737,700	9,944,500
TOTAL SOURCE OF FUNDS	15,055,100	18,371,300	18,641,200	18,371,300	18,665,900
EXPENDITURES BY CLASS					
Personnel Costs	7,903,400	9,288,100	9,497,300	9,260,900	9,467,700
Operating Expenses	1,196,600	1,219,500	1,219,500	1,222,000	1,222,000
Grants Loans Benefits	55,000	55,000	55,000	55,000	55,000
Capital Outlay	344,000	344,000	344,000	344,000	344,000
Construction	5,239,400	7,234,900	7,382,800	7,234,900	7,382,800
TOTAL EXPENDITURES	14,738,400	18,141,500	18,498,600	18,116,800	18,471,500
EXPENDITURES BY FUND SOURCE					
Restricted Funds	6,558,100	8,403,800	8,554,100	8,379,100	8,527,000
Federal Fund	8,180,300	9,737,700	9,944,500	9,737,700	9,944,500
TOTAL EXPENDITURES	14,738,400	18,141,500	18,498,600	18,116,800	18,471,500

The Division of Abandoned Mine Lands administers abandoned or unreclaimed land reclamation activities on previously surface-mined land or land used in connection with surface mining under Title IV of Public Law 95-87 and/or KRS 350.550 to KRS 350.597.

The division administers a bond forfeiture reclamation program; bonds forfeited to the commonwealth due to the failure to mine and reclaim a coal mine site to the standards specified by the mine permit are used by the state to reclaim the site for which the bond was posted.

The division administers a water supply replacement program which extends waterlines into areas where drinking water has been contaminated by past mining. The division budgets up to 30 percent of its annual funding on waterline projects each year. Federal funds for this program are provided from federal tax levies imposed under Public Law 95-87 on all coal mined since August 3, 1977. Approximately 150,000 acres of abandoned mine lands in Kentucky are eligible for reclamation. All state and partial federal project contracts are administered by this agency.

Energy and Environment

Natural Resources

Mine Safety

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	9,247,200	10,035,000	10,395,300	9,634,800	9,933,800
Budget Reduction-General Fund	-515,900				
Total General Fund	8,731,300	10,035,000	10,395,300	9,634,800	9,933,800
Restricted Funds					
Balance Forward	137,900				
Current Receipts	204,200	229,400	229,400	229,400	229,400
Total Restricted Funds	342,100	229,400	229,400	229,400	229,400
Federal Fund					
Current Receipts	594,600	508,200	508,200	508,200	508,200
Total Federal Fund	594,600	508,200	508,200	508,200	508,200
TOTAL SOURCE OF FUNDS	9,668,000	10,772,600	11,132,900	10,372,400	10,671,400
EXPENDITURES BY CLASS					
Personnel Costs	7,748,100	9,268,500	9,478,800	8,932,100	9,074,800
Operating Expenses	1,358,100	1,482,300	1,422,300	1,418,500	1,364,800
Capital Outlay	561,800	21,800	231,800	21,800	231,800
TOTAL EXPENDITURES	9,668,000	10,772,600	11,132,900	10,372,400	10,671,400
EXPENDITURES BY FUND SOURCE					
General Fund	8,731,300	10,035,000	10,395,300	9,634,800	9,933,800
Restricted Funds	342,100	229,400	229,400	229,400	229,400
Federal Fund	594,600	508,200	508,200	508,200	508,200
TOTAL EXPENDITURES	9,668,000	10,772,600	11,132,900	10,372,400	10,671,400

The Division of Mine Safety, pursuant to KRS Chapter 351, is responsible for the regulation of mining practices to prevent injuries and fatalities in underground, strip, and auger mines.

The Division trains, tests, and licenses mine personnel. Mine safety instructors provide general and technical safety training and education courses to mine personnel to maintain an adequate number of certified and qualified personnel for the mining industry. Moreover, the agency encourages safe work habits of coal miners by providing quality on-the-job, one-on-one safety training for surface and underground miners.

The Division licenses all underground and surface coal mines in the Commonwealth. It issues permits for specific mining methods including the use of diesel equipment, roof control, extended cuts, mining near oil and gas wells, and additional mine openings. The agency inspects mines and investigates illegal mining operations.

The Division develops and maintains a database to track information about each mining operation. The database includes the number of miners employed by the mine, type of operations, type of worker's compensation insurance, and the number and type of mining law violations, closures, and abatements for each mine and mine operator. A second database provides information on all individuals certified as surface mine foremen, surface mine safety analysts, underground mine foremen, underground mine instructors, underground mine inspectors, and electrical inspectors.

The Division administers drug testing of all miners as a condition of certification. A database is maintained on the status of those miners whose certifications have been revoked as a result of testing positive for drugs. The Division provides administrative oversight of the Kentucky Mining Board.

Federal Law 30 CFR, Section 49, requires mine rescue teams to be stationed within one hour of each active coal mine and to be trained and knowledgeable about each mine the team covers. The Commonwealth, through the Division of Mine Safety and Licensing, provides state-sponsored mine rescue teams to help Kentucky's mines comply with this federal regulation.

Energy and Environment
Natural Resources
Bond Pool Reclamation Fund

The Abandoned Mine Lands Bond Pool Reclamation Fund, pursuant to KRS 350.595, provides the additional money necessary to reclaim permitted mine areas. In the event that an entire bond is not needed to complete the required reclamation on a permit, the remaining balance is deposited into the Fund.

**Energy and Environment
Natural Resources
Reclamation Guaranty Fund**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	101,700				
Current Receipts	1,000	1,000	1,000	1,000	1,000
Non-Revenue Receipts	403,200	1,518,200	1,523,800	1,518,200	1,523,800
Total Restricted Funds	505,900	1,519,200	1,524,800	1,519,200	1,524,800
Federal Fund					
Current Receipts	464,000	465,500	470,900	465,500	470,900
Non-Revenue Receipts	-12,100	-9,900	-9,900	-9,900	-9,900
Total Federal Fund	451,900	455,600	461,000	455,600	461,000
TOTAL SOURCE OF FUNDS	957,800	1,974,800	1,985,800	1,974,800	1,985,800
EXPENDITURES BY CLASS					
Personnel Costs	874,500	890,800	901,800	891,100	860,100
Operating Expenses	83,300	1,084,000	1,084,000	1,083,700	1,083,700
TOTAL EXPENDITURES	957,800	1,974,800	1,985,800	1,974,800	1,943,800
EXPENDITURES BY FUND SOURCE					
Restricted Funds	505,900	1,519,200	1,524,800	1,519,200	1,482,800
Federal Fund	451,900	455,600	461,000	455,600	461,000
TOTAL EXPENDITURES	957,800	1,974,800	1,985,800	1,974,800	1,943,800

The Office of Reclamation Guaranty Fund, pursuant to KRS 350.500-350.521, provides the additional money necessary to reclaim permitted mine areas. In the event a permit-specific reclamation bond is insufficient to complete reclamation on the permitted mine site, the Fund provides financial assistance to the cabinet for reclamation.

**Energy and Environment
Natural Resources
Abandoned Mine Land Reclamation Projects**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Federal Fund					
Current Receipts	22,108,500	35,551,100	35,591,400	35,551,100	35,591,400
Total Federal Fund	22,108,500	35,551,100	35,591,400	35,551,100	35,591,400
TOTAL SOURCE OF FUNDS	22,108,500	35,551,100	35,591,400	35,551,100	35,591,400
EXPENDITURES BY CLASS					
Grants Loans Benefits	3,638,700	300,000	300,000	300,000	300,000
Construction	18,469,800	35,251,100	35,291,400	35,251,100	35,291,400
TOTAL EXPENDITURES	22,108,500	35,551,100	35,591,400	35,551,100	35,591,400
EXPENDITURES BY FUND SOURCE					
Federal Fund	22,108,500	35,551,100	35,591,400	35,551,100	35,591,400
TOTAL EXPENDITURES	22,108,500	35,551,100	35,591,400	35,551,100	35,591,400

The Abandoned Mine Lands (AML) Reclamation Projects program in the Department for Natural Resources receives 100 percent federal funding for the reclamation of certain mine sites that have been abandoned or left unreclaimed under Title IV of Public Law 95-87 or KRS 350. If the Commonwealth does not maintain an approved AML Reclamation program, federal funds allocated for reclamation projects within Kentucky may be reallocated to other coal-producing states. The Department reclaims abandoned mine sites through a priority ranking system based on human health and safety considerations.

**Energy and Environment
Natural Resources
Mine Safety Review Commission**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	57,800	220,900	225,000	203,400	206,700
Budget Reduction-General Fund	-3,800				
Total General Fund	54,000	220,900	225,000	203,400	206,700
TOTAL SOURCE OF FUNDS	54,000	220,900	225,000	203,400	206,700
EXPENDITURES BY CLASS					
Personnel Costs	45,000	212,000	216,100	203,400	206,700
Operating Expenses	9,000	8,900	8,900		
TOTAL EXPENDITURES	54,000	220,900	225,000	203,400	206,700
EXPENDITURES BY FUND SOURCE					
General Fund	54,000	220,900	225,000	203,400	206,700
TOTAL EXPENDITURES	54,000	220,900	225,000	203,400	206,700

The Mine Safety Review Commission, pursuant to KRS Chapter 351, protects the health and safety of coal miners by ensuring the enforcement of mine safety regulations. Its three members, appointed by the governor, conduct hearings on drug and safety violations and impose penalties for serious violations. The Commission has the power to probate, revoke or suspend a mine's license or an individual miner's certification and fine certified miners up to the equivalent of wages for ten working days for their first offense.

The Commission is an independent agency attached to the Energy and Environment Cabinet for administrative purposes only.

Energy and Environment
Energy Development and Independence

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,249,200	1,249,200	1,249,200	1,412,000	1,433,800
Budget Reduction-General Fund	-64,000				
Total General Fund	1,185,200	1,249,200	1,249,200	1,412,000	1,433,800
Restricted Funds					
Balance Forward	2,200,300	1,770,800	1,262,300	1,770,800	1,569,800
Current Receipts	24,400	43,600	1,500	43,600	1,500
Non-Revenue Receipts	649,700	623,200	623,200	623,200	623,200
Total Restricted Funds	2,874,400	2,437,600	1,887,000	2,437,600	2,194,500
Federal Fund					
Current Receipts	881,700	855,200	855,200	855,200	855,200
Non-Revenue Receipts	-299,700	-273,200	-273,200	-273,200	-273,200
Total Federal Fund	582,000	582,000	582,000	582,000	582,000
TOTAL SOURCE OF FUNDS	4,641,600	4,268,800	3,718,200	4,431,600	4,210,300
EXPENDITURES BY CLASS					
Personnel Costs	1,525,800	1,915,200	1,962,600	1,799,800	1,821,600
Operating Expenses	240,100	242,500	242,500	235,800	235,800
Grants Loans Benefits	1,104,900	848,800	808,500	826,200	785,900
TOTAL EXPENDITURES	2,870,800	3,006,500	3,013,600	2,861,800	2,843,300
EXPENDITURES BY FUND SOURCE					
General Fund	1,185,200	1,249,200	1,249,200	1,412,000	1,433,800
Restricted Funds	1,103,600	1,175,300	1,182,400	867,800	827,500
Federal Fund	582,000	582,000	582,000	582,000	582,000
TOTAL EXPENDITURES	2,870,800	3,006,500	3,013,600	2,861,800	2,843,300
EXPENDITURES BY UNIT					
Energy Development and Independence	2,870,800	3,006,500	3,013,600	2,861,800	2,843,300
TOTAL EXPENDITURES	2,870,800	3,006,500	3,013,600	2,861,800	2,843,300

The Department for Energy Development and Independence is comprised of the following divisions: Division of Efficiency and Conservation; Division of Renewable Energy; Division of Biofuels; Division of Carbon Management and Data Analysis; Division of Energy Generation, Transmission, and Distribution; and Division of Fossil Energy Development.

The Department oversees the development and implementation of Kentucky's comprehensive energy strategy, Intelligent Energy Choices for Kentucky's Future. The Department provides leadership to enhance the benefits of energy efficiency and alternative energy through supporting awareness, technology development, energy preparedness, partnerships and resource development. The Department also enhances the economic opportunities and benefits to Kentucky's citizens and industry by expanding current markets and developing market opportunities for Kentucky coal, natural gas, petroleum, oil shale, tar sands, liquid and gaseous fuels from coal, and chemicals from coal.

To the extent that funding is available, the Department administers grant programs to support energy-related research, development and demonstration, including supporting multi-state cooperative regional partnerships and research initiatives. The Department develops and implements programs for the production, utilization and conservation of energy in a manner that meets basic needs while maintaining Kentucky's economic growth at the highest feasible level.

The Department enters into agreements, administers grant programs and serves as a liaison with the federal government and other states in matters relating to energy; and participates in the review of applications, and upon request of the Kentucky Economic Development Finance Authority, assists in monitoring tax incentive agreements as provided in Subchapter 27 of KRS 154.

Energy and Environment
Kentucky Nature Preserves Commission

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,061,500	1,146,000	1,182,600	1,224,400	1,244,800
Budget Reduction-General Fund	-54,400				
Total General Fund	1,007,100	1,146,000	1,182,600	1,224,400	1,244,800
Restricted Funds					
Balance Forward	1,329,100	1,279,400	740,900	1,279,400	979,400
Current Receipts	605,900	258,600	188,100	258,600	188,100
Non-Revenue Receipts	287,600	385,400	385,400	385,400	385,400
Total Restricted Funds	2,222,600	1,923,400	1,314,400	1,923,400	1,552,900
Federal Fund					
Current Receipts	51,000	51,000	51,000	51,000	51,000
Non-Revenue Receipts	-1,400	-1,400	-1,400	-1,400	-1,400
Total Federal Fund	49,600	49,600	49,600	49,600	49,600
TOTAL SOURCE OF FUNDS	3,279,300	3,119,000	2,546,600	3,197,400	2,847,300
EXPENDITURES BY CLASS					
Personnel Costs	1,401,200	1,790,400	1,830,700	1,636,200	1,656,600
Operating Expenses	274,100	324,700	324,700	318,800	318,800
Grants Loans Benefits	202,700	173,500	173,500	173,500	173,500
Capital Outlay	121,900	89,500	89,500	89,500	89,500
TOTAL EXPENDITURES	1,999,900	2,378,100	2,418,400	2,218,000	2,238,400
EXPENDITURES BY FUND SOURCE					
General Fund	1,007,100	1,146,000	1,182,600	1,224,400	1,244,800
Restricted Funds	943,200	1,182,500	1,186,200	944,000	944,000
Federal Fund	49,600	49,600	49,600	49,600	49,600
TOTAL EXPENDITURES	1,999,900	2,378,100	2,418,400	2,218,000	2,238,400
EXPENDITURES BY UNIT					
Kentucky Nature Preserves Commission	1,999,900	2,378,100	2,418,400	2,218,000	2,238,400
TOTAL EXPENDITURES	1,999,900	2,378,100	2,418,400	2,218,000	2,238,400

Pursuant to KRS 146.410-146.530, the Kentucky State Nature Preserves Commission's mission is two-fold: to inventory the Commonwealth for its natural diversity, including its plants, animal life, biological communities, and areas of natural significance, and to protect these natural features by establishing a system of nature preserves. Pursuant to KRS 224.10-022, the Commission is attached to the Energy and Environment Cabinet.

Acquisition and management funds for the agency are derived through a tax refund check-off system authorized in KRS 141.450-141.480, through gifts, grants, devises and bequests pursuant to KRS 146.465, and through allocations from the Kentucky Heritage Land Conservation Fund pursuant to KRS 146.570. The Commission, together with the Kentucky Department of Fish and Wildlife Resources, shares equally the receipts generated by the Non-game Species Protection and Habitat Acquisition program.

The Commission is responsible for administering the Wild Rivers program. Whose mission is to preserve the Commonwealth's natural streams and attract out-of-state visitors pursuant to KRS 146.200-360.

**Energy and Environment
Public Service Commission**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	16,582,600	11,588,500	11,841,700	16,582,600	16,582,600
Continuing Approp-General Fund	610,600				
Budget Reduction-General Fund	-463,100				
Total General Fund	16,730,100	11,588,500	11,841,700	16,582,600	16,582,600
Restricted Funds					
Balance Forward	69,100	69,100	35,400	69,100	67,200
Non-Revenue Receipts	200,000	200,000	200,000	200,000	200,000
Total Restricted Funds	269,100	269,100	235,400	269,100	267,200
Federal Fund					
Current Receipts	445,100	445,100	445,100	445,100	445,100
Total Federal Fund	445,100	445,100	445,100	445,100	445,100
TOTAL SOURCE OF FUNDS	17,444,300	12,302,700	12,522,200	17,296,800	17,294,900
EXPENDITURES BY CLASS					
Personnel Costs	8,344,600	10,736,000	10,989,200	9,632,800	9,632,800
Operating Expenses	1,413,600	1,506,300	1,506,300	1,086,600	1,086,600
Debt Service	474,000				
Capital Outlay	75,000	25,000	25,000	25,000	25,000
TOTAL EXPENDITURES	10,307,200	12,267,300	12,520,500	10,744,400	10,744,400
EXPENDITURES BY FUND SOURCE					
General Fund	9,662,100	11,588,500	11,841,700	10,097,400	10,097,400
Restricted Funds	200,000	233,700	233,700	201,900	201,900
Federal Fund	445,100	445,100	445,100	445,100	445,100
TOTAL EXPENDITURES	10,307,200	12,267,300	12,520,500	10,744,400	10,744,400
EXPENDITURES BY UNIT					
General Counsel	1,311,600	1,856,000	1,901,200	1,575,600	1,597,100
General Administration	2,528,100	2,736,000	2,778,000	2,322,400	2,346,200
Commission Operations	2,750,900	2,816,200	2,866,400	2,546,200	2,500,300
Financial Analysis	2,040,300	2,790,800	2,858,500	2,428,400	2,461,800
Division of Inspections	1,676,300	2,068,300	2,116,400	1,871,800	1,839,000
TOTAL EXPENDITURES	10,307,200	12,267,300	12,520,500	10,744,400	10,744,400

The Public Service Commission, pursuant to KRS Chapter 278, regulates the intrastate rates and services of over 500 investor-owned electric, natural gas, telephone, water and sewage utilities, rural electric and telephone cooperatives, and water districts. The three-member Commission performs its regulatory functions through written orders following adjudicative and rulemaking procedures outlined in statute. The Commission is an independent agency attached to the Energy and Environment Cabinet for administrative purposes only.

The Commission's goal is to ensure that every utility charges fair, just, and reasonable rates for the services rendered and that those services are adequate and efficient.

The agency is funded by an assessment of all utilities under the Commission's jurisdiction based on the annual gross intrastate revenues.

The Commission staff is organized into the Divisions of Inspections, General Counsel, General Administration, Commission Operations, Financial Analysis, and Gas Pipeline Safety.

Policy

The Executive Budget includes \$6,485,200 in each fiscal year that shall lapse to the credit of the General Fund from the Public Service Commission.

Finance and Administration

Finance and Administration

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	664,028,700	709,689,000	745,269,800	658,447,600	685,055,600
Special Appropriation	641,000				
Budget Reduction-General Fund	-8,015,100				
Other	-22,754,000				
Total General Fund	633,900,600	709,689,000	745,269,800	658,447,600	685,055,600
Tobacco Fund					
Tobacco Settlement - Phase I	26,917,700	29,224,900	32,128,700	29,224,900	32,128,700
Total Tobacco Fund	26,917,700	29,224,900	32,128,700	29,224,900	32,128,700
Restricted Funds					
Balance Forward	40,969,300	21,778,528	16,405,028	19,466,400	9,623,100
Current Receipts	217,382,400	228,626,500	228,905,900	228,061,300	228,152,300
Non-Revenue Receipts	3,018,000	3,621,300	3,659,400	3,526,300	3,547,300
Fund Transfers	-14,208,100				
Total Restricted Funds	247,161,600	254,026,328	248,970,328	251,054,000	241,322,700
Federal Fund					
Current Receipts	280,000	10,000	10,000	10,000	10,000
Total Federal Fund	280,000	10,000	10,000	10,000	10,000
Road Fund					
Regular Appropriation	3,545,900	3,364,600	3,367,700	3,842,300	3,887,400
Total Road Fund	3,545,900	3,364,600	3,367,700	3,842,300	3,887,400
TOTAL SOURCE OF FUNDS	911,805,800	996,314,828	1,029,746,528	942,578,800	962,404,400
EXPENDITURES BY CLASS					
Personnel Costs	241,697,200	300,910,200	309,722,800	268,078,000	270,313,500
Operating Expenses	125,475,200	137,938,700	138,127,500	133,768,800	133,940,200
Grants Loans Benefits	1,205,600	1,205,500	1,205,500	1,205,500	1,205,500
Debt Service	470,557,800	501,534,200	531,354,500	491,980,800	519,058,400
Capital Outlay	27,736,100	24,161,300	24,341,300	24,511,800	24,511,800
TOTAL EXPENDITURES	866,671,900	965,749,900	1,004,751,600	919,544,900	949,029,400
EXPENDITURES BY FUND SOURCE					
General Fund	610,524,600	697,505,600	733,368,600	647,068,200	673,939,800
Tobacco Fund	24,626,200	27,049,900	30,000,800	27,193,500	30,141,200
Restricted Funds	227,695,200	237,819,800	238,004,500	241,430,900	241,051,000
Federal Fund	280,000	10,000	10,000	10,000	10,000
Road Fund	3,545,900	3,364,600	3,367,700	3,842,300	3,887,400
TOTAL EXPENDITURES	866,671,900	965,749,900	1,004,751,600	919,544,900	949,029,400
EXPENDITURES BY UNIT					
General Administration	38,449,200	40,527,200	41,043,600	40,453,600	40,836,500
Controller	17,113,200	19,272,300	19,496,100	19,489,300	19,627,800
Office of Inspector General	1,249,100	1,497,100	1,526,200	1,447,800	1,465,600
Debt Service	470,557,800	501,534,200	509,666,500	491,147,800	510,146,900
Facilities and Support Services	50,414,600	52,937,900	59,890,700	49,314,200	50,608,700
County Costs	17,599,500	23,317,500	23,317,500	21,136,000	21,136,000
Commonwealth Office of Technology	119,715,200	131,626,100	135,852,100	134,360,300	135,088,900
Revenue	101,721,500	125,261,200	142,155,100	111,742,500	118,550,000
Property Valuation Administrators	49,851,800	69,776,400	71,803,800	50,453,400	51,569,000
TOTAL EXPENDITURES	866,671,900	965,749,900	1,004,751,600	919,544,900	949,029,400

The Finance and Administration Cabinet is responsible for managing the financial resources of the Commonwealth and for providing central administrative services to agencies of state and local government. The mission of the Finance and Administration Cabinet is to provide its customers with assistance in the delivery of quality services, effective administration, and sound financial management. The Cabinet provides leadership, coordination, and support to other state agencies to ensure accountability and integrity in the use of public resources. The Finance and Administration Cabinet constantly strives to conduct government business more effectively. Moreover, among the highest priorities of the Cabinet is providing state government with the resources necessary to carry out its mission by equitable and efficient revenue collection.

The Cabinet's duties include construction of state facilities, property management including motor vehicles, tax administration and collection, management of the Commonwealth's information technology systems, expenditure control, and state purchasing.

Finance and Administration

General Administration

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,913,300	8,030,100	8,449,400	7,572,800	7,889,800
Budget Reduction-General Fund	-354,200				
Total General Fund	6,559,100	8,030,100	8,449,400	7,572,800	7,889,800
Restricted Funds					
Balance Forward	13,867,200	5,591,628	3,662,728	6,091,600	3,285,000
Current Receipts	29,980,700	29,985,700	29,985,700	29,985,700	29,985,700
Non-Revenue Receipts	-314,300	315,700	308,600	-176,300	-390,400
Fund Transfers	-6,000,000				
Total Restricted Funds	37,533,600	35,893,028	33,957,028	35,901,000	32,880,300
Road Fund					
Regular Appropriation	448,100	266,800	269,900	264,800	266,400
Total Road Fund	448,100	266,800	269,900	264,800	266,400
TOTAL SOURCE OF FUNDS	44,540,800	44,189,928	42,676,328	43,738,600	41,036,500
EXPENDITURES BY CLASS					
Personnel Costs	10,549,000	12,632,500	13,088,800	12,523,800	12,846,600
Operating Expenses	14,618,200	14,617,500	14,677,600	14,652,600	14,712,700
Debt Service					
Capital Outlay	13,282,000	13,277,200	13,277,200	13,277,200	13,277,200
TOTAL EXPENDITURES	38,449,200	40,527,200	41,043,600	40,453,600	40,836,500
EXPENDITURES BY FUND SOURCE					
General Fund	6,559,100	8,030,100	8,449,400	7,572,800	7,889,800
Restricted Funds	31,442,000	32,230,300	32,324,300	32,616,000	32,680,300
Road Fund	448,100	266,800	269,900	264,800	266,400
TOTAL EXPENDITURES	38,449,200	40,527,200	41,043,600	40,453,600	40,836,500
EXPENDITURES BY UNIT					
Secretary	1,854,400	2,172,700	2,220,100	2,190,300	2,217,000
Gubernatorial Transition			220,000		220,000
Office of General Counsel	1,986,400	2,538,000	2,589,500	2,522,700	2,551,500
Office of Administrative Services	2,836,200	3,465,000	3,541,200	3,424,800	3,467,400
Fleet Management	28,062,300	28,352,700	28,396,800	28,338,100	28,361,500
Postal Services	2,828,400	2,970,000	3,023,000	2,951,800	2,979,700
Policy and Audit	881,500	1,028,800	1,053,000	1,025,900	1,039,400
TOTAL EXPENDITURES	38,449,200	40,527,200	41,043,600	40,453,600	40,836,500

The General Administration appropriation unit provides coordination and management of the Cabinet. It is comprised of the Office of the Secretary, Office of Public Information, Office of General Counsel, Office of Equal Employment Opportunity and Contract Compliance, Office of Policy and Audit, and Office of Administrative Services.

The Office of the Secretary, including the Office of Public Information, develops executive policy and directs the overall management of the Commonwealth's property and financial assets. Office staff coordinates fiscal and personnel administration for the Cabinet, reviews all internal reorganizations, prepares the Cabinet legislative package, and handles inquiries and issues that arise from the General Assembly, the news media, and the general public. The Secretary of Finance serves on numerous boards and commissions including the Kentucky Economic Development Partnership Board, the Kentucky Economic Development Finance Authority, the Kentucky Infrastructure Authority, the Kentucky Higher Education Assistance Authority, and the Kentucky Housing Corporation.

The Office of Equal Employment Opportunity (EEO) and Contract Compliance is responsible for developing, implementing, and monitoring the Finance and Administration Cabinet's affirmative action plan as required by KRS 18A.138. The Office also monitors all contracts in excess of \$250,000 awarded by the Cabinet to ensure compliance with the affirmative action provisions of the Kentucky Equal Opportunity Act.

The Office of General Counsel provides legal services to the departments of the Finance and Administration Cabinet and Cabinet-related entities. Members of this office represent the Secretary of the Cabinet in civil litigation. The unit also reviews legislation being considered by the General Assembly.

The Office of Administrative Services manages personnel, fiscal policy, and payroll functions for all units within the Finance and Administration Cabinet, the Governor's Office, the Executive Branch Ethics Commission, the School Facilities Construction Commission, and the Lieutenant Governor's Office. This unit prepares the Cabinet's budget and manages the Cabinet's personal property inventory. The Office also has responsibility for the management and oversight of the Division of Postal Services and the Division of Fleet Management.

The Division of Postal Services has recently consolidated from five locations into one mail management center which provides a more secure environment for the Commonwealth's mail. The Division provides messenger service to all state agencies and performs mail processing functions for over 125 state agencies. This division advises agencies about USPS rules, regulations, and services.

The Division of Fleet Management manages and maintains the Commonwealth's vehicle fleet for use by state agencies and employees.

The Office of Policy and Audit is responsible for assuring the reliability and integrity of information used to support management decision making, evaluating how state assets are safeguarded, providing risk and insurance management to the Cabinet, and appraising the economy and efficiency of resource use. Staff also ascertains whether the operations and programs are being implemented as planned, and performs special studies at the request of management.

Policy

The Executive Budget includes General Fund in the amount of \$220,000 in fiscal year 2019-2020 in support of the Gubernatorial Transition.

Finance and Administration

Controller

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,893,900	6,774,500	6,899,500	6,351,000	6,422,500
Budget Reduction-General Fund	-301,900				
Total General Fund	5,592,000	6,774,500	6,899,500	6,351,000	6,422,500
Restricted Funds					
Balance Forward	3,611,200	2,923,900	2,979,500	2,619,900	1,247,900
Current Receipts	8,434,500	9,899,700	10,088,100	9,334,500	9,334,500
Non-Revenue Receipts	2,095,400	2,653,700	2,698,900	2,431,800	2,622,900
Total Restricted Funds	14,141,100	15,477,300	15,766,500	14,386,200	13,205,300
TOTAL SOURCE OF FUNDS	19,733,100	22,251,800	22,666,000	20,737,200	19,627,800
EXPENDITURES BY CLASS					
Personnel Costs	9,201,800	11,372,100	11,503,200	10,946,200	10,992,000
Operating Expenses	7,911,400	7,900,200	7,992,900	8,543,100	8,635,800
TOTAL EXPENDITURES	17,113,200	19,272,300	19,496,100	19,489,300	19,627,800
EXPENDITURES BY FUND SOURCE					
General Fund	5,592,000	6,774,500	6,899,500	6,351,000	6,422,500
Restricted Funds	11,521,200	12,497,800	12,596,600	13,138,300	13,205,300
TOTAL EXPENDITURES	17,113,200	19,272,300	19,496,100	19,489,300	19,627,800
EXPENDITURES BY UNIT					
Controller	3,209,600	3,750,700	3,717,500	3,662,800	3,610,700
Local Government Services	677,500	903,300	919,000	773,800	782,400
Financial Management	3,937,900	4,304,000	4,357,600	4,305,700	4,335,300
Procurement Services	1,911,000	2,673,000	2,730,900	2,519,600	2,566,700
Customer Resource Center	5,264,700	5,241,900	5,333,600	5,809,500	5,893,800
State Risk and Insurance Services	2,112,500	2,399,400	2,437,500	2,417,900	2,438,900
TOTAL EXPENDITURES	17,113,200	19,272,300	19,496,100	19,489,300	19,627,800

The Office of the Controller provides management for financial accounting control policies and procedures; financial accounting systems; debt management; state purchasing; administration of the Old-Age, Survivors, Disability and Hospital Insurance program; and functions relating to the county fee systems for local entities. The State Controller functions as the Commonwealth's Chief Accounting Officer and participates in the development and maintenance of the Commonwealth's strategic financial management program.

The Division of Local Government Services administers, for the benefit of state employees and political subdivisions within the Commonwealth, the Old Age and Survivors Insurance program under Section 218 of the federal Social Security Act. This program is responsible for ensuring that the social security obligations of the state and its political subdivisions are met. To fulfill this responsibility, the State Office for Social Security periodically visits each of the political subdivisions for a procedural, compliance, and fiscal audit pursuant to KRS 61.410 61.500. The Division also provides personnel, accounting, and other administrative services to counties through the County Costs, County Fees, and PVA programs.

The Division of Statewide Accounting Services is responsible for maintenance and operation of the central statewide accounting system and provides centralized accounting of all receipts and disbursements of the Commonwealth. In addition, this division prepares daily, monthly, and annual financial reports, which constitute a complete report of the financial activities and condition of the Commonwealth.

The Office of Financial Management manages the state's investments and debt. This includes managing cash flow to maximize the return on state investments, making debt service payments, managing the sale of bonds, and reporting to the General Assembly on all investment and debt matters. The Office is responsible for developing a long-term debt plan for the Commonwealth, including the development of criteria for the issuance of debt, providing an evaluation of how much total state debt is justified, and evaluating revenue projections relative to proposed revenue bond issues. The Office handles all investments on behalf of the General Fund, the Capital Construction Fund, the Road Fund, and approximately 50 other accounts.

The Office of Material and Procurement Services is responsible for the central purchasing and materials management for state government (excluding construction and road maintenance). The Office supports the Procurement software module of eMARS, designing and testing modifications to the software to ensure it meets the needs of user agencies. The Division of Goods and Services Procurement and the Division of Technology Services Procurement are responsible, with respect to their area of expertise, for purchasing all commodities and non-professional services for state agencies that exceed an agency's small purchase authority limit. The office also provides administrative oversight and review of all personal service contracts and Memoranda of Agreement, and ensures compliance with the provisions of KRS Chapter 45A prior to forwarding contracts to the Legislative Research Commission, Government Contract Review Committee, for review.

The Office of the Customer Resource Center (CRC) operates a help desk to support nearly 5,000 users of the eMARS system and is responsible for training Commonwealth employees on all eMARS products. In addition, CRC is responsible for developing and analyzing reports to identify areas that need improvement.

The Division of State Risk Services manages the state property insurance program, the state building sprinkler system program and the state automobile insurance program in accordance with KRS Chapter 56.

Policy

The Executive Budget suspends the provisions of KRS 47.010(1), and directs any revenue derived from the establishment of statewide Master Agreements by the Office of Procurement Services to a Restricted Fund account to be used to administer the program.

**Finance and Administration
Office of Inspector General**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		1,471,800	1,514,400	790,500	802,700
Budget Reduction-General Fund	-35,900				
Reorganization Adjustment	700,000				
Total General Fund	664,100	1,471,800	1,514,400	790,500	802,700
Restricted Funds					
Balance Forward	38,400	38,400	13,100	38,400	
Non-Revenue Receipts	585,000			618,900	662,900
Total Restricted Funds	623,400	38,400	13,100	657,300	662,900
TOTAL SOURCE OF FUNDS	1,287,500	1,510,200	1,527,500	1,447,800	1,465,600
EXPENDITURES BY CLASS					
Personnel Costs	1,232,100	1,477,100	1,506,200	1,430,800	1,448,600
Operating Expenses	17,000	20,000	20,000	17,000	17,000
TOTAL EXPENDITURES	1,249,100	1,497,100	1,526,200	1,447,800	1,465,600
EXPENDITURES BY FUND SOURCE					
General Fund	664,100	1,471,800	1,514,400	790,500	802,700
Restricted Funds	585,000	25,300	11,800	657,300	662,900
TOTAL EXPENDITURES	1,249,100	1,497,100	1,526,200	1,447,800	1,465,600
EXPENDITURES BY UNIT					
Office of Inspector General	1,249,100	1,497,100	1,526,200	1,447,800	1,465,600
TOTAL EXPENDITURES	1,249,100	1,497,100	1,526,200	1,447,800	1,465,600

Executive Order 2016-602, now codified in KRS 42.0147, established the Office of the Inspector General. The Office is responsible for conducting various investigations within the Executive Branch pursuant to KRS 45.131.

The Division of Special Investigations is responsible for investigating alleged violations of the tax laws and for recommending criminal prosecutions of the laws when warranted.

Finance and Administration

Debt Service

SOURCE OF FUNDS	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
General Fund					
Regular Appropriation	491,670,600	486,917,700	491,816,900	475,583,700	491,371,500
Special Appropriation	641,000				
Other	-22,754,000				
Total General Fund	469,557,600	486,917,700	491,816,900	475,583,700	491,371,500
Tobacco Fund					
Tobacco Settlement - Phase I	26,667,700	28,974,900	31,878,700	28,974,900	31,878,700
Total Tobacco Fund	26,667,700	28,974,900	31,878,700	28,974,900	31,878,700
TOTAL SOURCE OF FUNDS	496,225,300	515,892,600	523,695,600	504,558,600	523,250,200
EXPENDITURES BY CLASS					
Debt Service	470,557,800	501,534,200	509,666,500	491,147,800	510,146,900
TOTAL EXPENDITURES	470,557,800	501,534,200	509,666,500	491,147,800	510,146,900
EXPENDITURES BY FUND SOURCE					
General Fund	446,181,600	474,734,300	479,915,700	464,204,300	480,255,700
Tobacco Fund	24,376,200	26,799,900	29,750,800	26,943,500	29,891,200
TOTAL EXPENDITURES	470,557,800	501,534,200	509,666,500	491,147,800	510,146,900
EXPENDITURES BY UNIT					
Debt Service	470,557,800	501,534,200	509,666,500	491,147,800	510,146,900
TOTAL EXPENDITURES	470,557,800	501,534,200	509,666,500	491,147,800	510,146,900

Previously authorized State Property and Buildings Commission General Fund debt service for all agencies is consolidated in the Finance and Administration Cabinet. All new 2018-2020 General Fund debt service is reflected in budgets of the affected agencies.

Policy

The American Recovery and Reinvestment Act of 2009 created a new debt instrument for tax-exempt municipal bond issuers, called Build America Bonds. Municipal bond issuers could issue Build America Bonds for eligible tax-exempt purposes on a permanent basis only. The Commonwealth was eligible for a subsidy for bonds issued as Build America Bonds prior to December 31, 2010. Subsidies from the Build America Bonds shall lapse to the General Fund. The amount of the General Fund lapse is \$11,379,400 in fiscal year 2018-2019 and \$11,115,800 in fiscal year 2019-2020. The amount of Tobacco Fund lapse is \$2,031,400 in fiscal year 2018-2019 and \$1,987,500 in fiscal year 2019-2020.

House Bill 482 from the 2017 Regular Session of the General Assembly appropriated \$641,000 from the General Fund in the current fiscal year to the Economic Development Cabinet for debt service to support new bonds. That appropriation is displayed here.

The 2016-2018 biennial appropriations act included a provision authorizing the transfer of unneeded debt service appropriation in the Finance and Administration Cabinet to the Kentucky Communications Network Authority for availability payments. That transfer is displayed in fiscal year 2018.

**Finance and Administration
Facilities and Support Services**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,297,300	9,549,200	16,496,600	6,115,900	7,178,000
Budget Reduction-General Fund	-271,400				
Total General Fund	5,025,900	9,549,200	16,496,600	6,115,900	7,178,000
Restricted Funds					
Balance Forward	9,336,200	4,910,700	2,485,200	4,702,600	2,467,500
Current Receipts	40,311,300	40,311,300	40,311,300	40,311,300	40,311,300
Non-Revenue Receipts	651,900	651,900	651,900	651,900	651,900
Fund Transfers	-208,100				
Total Restricted Funds	50,091,300	45,873,900	43,448,400	45,665,800	43,430,700
TOTAL SOURCE OF FUNDS	55,117,200	55,423,100	59,945,000	51,781,700	50,608,700
EXPENDITURES BY CLASS					
Personnel Costs	23,669,400	28,137,400	28,970,000	26,907,200	27,207,100
Operating Expenses	22,182,600	21,528,000	21,846,200	20,872,000	20,890,600
Grants Loans Benefits	100				
Debt Service			5,602,000	192,000	1,168,000
Capital Outlay	4,562,500	3,272,500	3,472,500	1,343,000	1,343,000
TOTAL EXPENDITURES	50,414,600	52,937,900	59,890,700	49,314,200	50,608,700
EXPENDITURES BY FUND SOURCE					
General Fund	5,025,900	9,549,200	16,496,600	6,115,900	7,178,000
Restricted Funds	45,388,700	43,388,700	43,394,100	43,198,300	43,430,700
TOTAL EXPENDITURES	50,414,600	52,937,900	59,890,700	49,314,200	50,608,700
EXPENDITURES BY UNIT					
Commissioner's Office	842,900	968,000	7,338,900	1,155,500	2,142,500
Facility Development and Efficiency	5,379,600	6,623,600	6,775,000	6,248,800	6,333,100
Real Property	1,513,900	1,788,200	1,831,500	1,776,100	1,799,900
Historic Properties	350,800	385,000	390,400	383,100	386,000
Building and Mechanical Services	41,146,000	41,858,800	42,219,800	38,570,400	38,766,300
State Surplus Property	763,200	856,300	870,800	762,100	762,100
Federal Surplus Property	418,200	458,000	464,300	418,200	418,800
TOTAL EXPENDITURES	50,414,600	52,937,900	59,890,700	49,314,200	50,608,700

The Department for Facilities and Support Services consists of the Commissioner's Office and five offices/divisions: Facility Development and Efficiency, Historic Properties, Real Properties, Surplus Properties, and the Office of Building and Mechanical Services. The Department manages the State's facilities construction program, maintains Finance and Administration Cabinet buildings, provides management and oversight of state-owned historical buildings and sites, and provides real property acquisition, disposition, leasing, and inventory services.

The Commissioner's Office coordinates and supervises the activities of the five offices/divisions authorized in KRS 42.027.

The Office of Facility Development and Efficiency includes the Division of Engineering and Contract Administration which provides professional and technical engineering and architectural services to state agencies, reviews capital construction design documents, acts as a liaison between the Department and state agencies on new construction and major maintenance projects, and monitors construction and maintenance contracts for compliance with plans and specifications. The Division is also responsible for administering the procurement process for construction projects of the Commonwealth of Kentucky, excluding roads and bridges, as prescribed by the Kentucky Model Procurement Code (KRS 45A) and the related administrative regulations. The Division prepares invitations to bid, opens and evaluates those bids, and awards contracts. The General Contracting Branch provides general construction procurement, administers the advertising and awarding of state general construction projects and related support systems, provides procurement information to state agencies, and administers procurement programs for new building construction, renovation, and mechanical, electrical, and HVAC systems. The Specialized Contracting Branch administers the advertising and awarding of state specialized

construction projects and related support systems; provides procurement information to state agencies; and administers programs such as reclamation under the Abandoned Mines Lands program, the procurement of state-owned telephone switching systems, asbestos abatement projects, and master agreements for maintenance of elevators, escalators, and similar services. The Administrative Services Branch and the Pre-Audit Branch provide support services to the Division and Department.

The Office of Facility Development and Efficiency also includes the Division of Facility Efficiency which is responsible for managing the Guaranteed Energy Saving Performance Contracting program and for implementing the Commonwealth Energy Management and Control System (CEMCS). The CEMCS project is an aggressive effort to use an enterprise software platform to reduce energy use in state buildings.

The Division of Real Properties provides buildings and parking facilities for state agencies throughout the Commonwealth. The Leased Properties Branch is responsible for administering space requests for leased property, acquisitions of privately-owned leased property for state use, lease renewals and cancellations, modifications to leased property, and related activities. The State Properties Branch administers space assignments for state-owned real property, acquisitions and sales of real properties, leases of state-owned real property to other entities, easements on state-owned real property, appraisals and appraisal reviews for acquisitions and dispositions, authorization of demolition of state-owned buildings, and relocation assistance. The Inventory and Property Utilization Branch plans space utilization including minor building alterations and renovations and interior space standards and administers inventory of state-owned real property, inventory of state-owned leased-out real property, inventory of state leased-in real property, building use permits, reserved parking assignments in Frankfort, and deed and easement records of state-owned real property.

The Division of Historic Properties, in accordance with KRS 42.019 and KRS 11.026, is responsible for the preservation and maintenance of Finance and Administration Cabinet-owned historic sites including the Kentucky State Capitol, Executive Mansion, Old Governor's Mansion, Berry Hill Mansion, and the Vest-Lindsey State Meeting House. The Division consults with the Department of Parks to preserve and maintain those historic sites under the management and control of the Tourism Development Cabinet. The same consultation services are provided to other agencies within state government as requested. The Director of the Division of Historic Properties serves as State Curator and a member of the Historic Properties Advisory Commission. The Commission is statutorily responsible for overseeing the maintenance, restoration, preservation, and care of furnishings and grounds of the Executive Mansion, Old Governor's Mansion, and State Capitol grounds. Historic Properties staff is responsible for scheduling and coordinating events held in the public areas of the Capitol Building and grounds. Staff have established and implemented policies and guidelines for the use of this space to allow public access while preserving and protecting the historic and architectural integrity of the buildings and grounds.

The Office of Building and Mechanical Services, which includes the Division of Building Services and the Division of Mechanical Services, as authorized by KRS 42.027, provides services for all Finance and Administration Cabinet-operated buildings and for the state agencies occupying those facilities. The Office is responsible for several buildings in Frankfort including the Capitol, New Capitol Annex, Old Capitol, Old Capitol Annex, Capital Plaza Complex, Human Resources Building, Executive Mansion, Old Governor's Mansion, New State Office Building, Library and Archives Building, Central Lab Facility, the Kentucky History Center and the Transportation Cabinet building. The Office also services buildings at the London Regional and Madisonville state office complexes, the Spindletop Research Complex in Fayette County, and offices in Ashland, Jackson, Louisville, Owensboro, and Richmond that were formerly owned and operated by Cabinet for Health and Family Services. Services provided include minor renovations; maintaining parking lots, sidewalks and ramps; janitorial and landscaping services; maintaining the heating, ventilating, and air conditioning systems; maintaining special equipment within the buildings as requested; roof repair; fire alarm and security systems; electrical systems; energy conservation; maintaining elevators and escalators; maintaining emergency power systems; and after-hours emergency services.

Additionally, the Office is responsible for developing plans and specifications for a wide variety of construction projects. After plans and specifications are complete and have been approved, the Office oversees the construction phase and provides contract administration.

Recently, the Department has entered into two public-private partnerships for the development of new state office space in Franklin County. The first, included in the 2014-2016 Executive Branch appropriations act, authorized the Department for Facilities and Support Services to construct a new state office building to house displaced state workers from the Capital Plaza Tower and privately leased space. The Department entered into an agreement with a private developer to construct, operate, and maintain the property at 300 Sower Boulevard in Franklin County for a period of 35 years, at which time the Commonwealth will take over ownership of the property. Construction was complete in the spring of 2016, and state employees began to occupy the new building shortly thereafter. Payments to the developer for amortization of the construction cost and for ongoing maintenance and operations are made by the Department for Facilities and Support Services in conjunction with the Office of Financial Management. The second project was authorized by Senate Bill 238 from the 2017 Regular Session of the General Assembly and is currently underway. The project provides for the renewal of the Capital Plaza complex in downtown Frankfort.

Policy

The Executive Budget provides General Fund in the amount of \$192,000 in fiscal year 2018-2019 and \$1,168,000 in fiscal year 2019-2020 for debt service on new bonds included in the capital budget.

Finance and Administration

County Costs

SOURCE OF FUNDS	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
General Fund					
Regular Appropriation	15,897,000	21,615,000	21,615,000	19,433,500	19,433,500
Total General Fund	15,897,000	21,615,000	21,615,000	19,433,500	19,433,500
Restricted Funds					
Current Receipts	1,702,500	1,702,500	1,702,500	1,702,500	1,702,500
Total Restricted Funds	1,702,500	1,702,500	1,702,500	1,702,500	1,702,500
TOTAL SOURCE OF FUNDS	17,599,500	23,317,500	23,317,500	21,136,000	21,136,000
EXPENDITURES BY CLASS					
Personnel Costs	1,889,700	3,966,500	3,966,500	2,858,200	2,858,200
Operating Expenses	14,514,300	18,155,500	18,155,500	17,082,300	17,082,300
Grants Loans Benefits	1,195,500	1,195,500	1,195,500	1,195,500	1,195,500
TOTAL EXPENDITURES	17,599,500	23,317,500	23,317,500	21,136,000	21,136,000
EXPENDITURES BY FUND SOURCE					
General Fund	15,897,000	21,615,000	21,615,000	19,433,500	19,433,500
Restricted Funds	1,702,500	1,702,500	1,702,500	1,702,500	1,702,500
TOTAL EXPENDITURES	17,599,500	23,317,500	23,317,500	21,136,000	21,136,000
EXPENDITURES BY UNIT					
Public Defender Program	1,858,200	3,935,000	3,935,000	2,858,200	2,858,200
Witnesses	100,000	100,000	100,000	100,000	100,000
DUI Service Fees	1,195,500	1,195,500	1,195,500	1,195,500	1,195,500
Sheriffs Fees'	9,981,300	13,622,500	13,622,500	12,981,300	12,981,300
County Clerks (Make Tax Bills)	254,000	254,000	254,000	254,000	254,000
Board Of Assessment Appeals	40,000	40,000	40,000	40,000	40,000
Fugitive From Justice	1,102,000	1,102,000	1,102,000	1,102,000	1,102,000
Jury Fund	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
Sheriffs Expense Allowance	463,500	463,500	463,500		
Premium On Sheriffs' Bonds	5,000	5,000	5,000	5,000	5,000
TOTAL EXPENDITURES	17,599,500	23,317,500	23,317,500	21,136,000	21,136,000

The County Costs program provides payment to local officials for the performance of functions required by state statutes. Payments under the County Costs program are statutorily mandated and are regarded as a necessary governmental expense.

KRS 31.185 requires the fiscal court or legislative body of an urban county government, containing less than ten circuit judges, to annually appropriate twelve and one-half cents (\$.125) per capita to the county as determined by the Council of Local Governments' most recent population statistics. The funds, which shall not lapse, shall be held in a special account to be administered by the Finance and Administration Cabinet, and shall be used to pay all court orders that have been entered into as a result of a needy defendant's motion for funding assistance. If the funds are depleted in any given year, any unpaid court orders will be paid as a judgment against the Commonwealth.

In accordance with KRS 421.015 and 421.250, circuit and district court clerks provide witnesses compensation with reimbursement being provided by the State Treasury upon claim accompanied by documentation.

The service fee imposed by KRS 189.050 for persons convicted of driving under the influence of alcohol or other substances shall be disbursed among various state and local agencies to fund such programs as enforcement, indigent defense, and the traumatic brain injury trust fund.

Pursuant to KRS 64.092, the sheriff or other law enforcement officer providing security in a Circuit or District Court shall be compensated at the rate of \$8 per hour of service.

Pursuant to KRS 133.240, county clerks are paid \$0.30 per tax bill for preparing property tax bills and \$1.00 for omitted assessments. The Finance and Administration Cabinet is responsible for remitting half of the allowed amount to the county clerk.

Pursuant to KRS 133.030, each member of a county board of assessment appeals is compensated \$100 per day for their services in hearing tax appeals and reviewing tax assessments. The Finance and Administration Cabinet refunds county fiscal courts for half of the board members' compensation.

As authorized by the County Judge Executive or the Governor, and pursuant to KRS 440.090 and 440.380, duly appointed officers are reimbursed by the Finance and Administration Cabinet for mileage and expenses incurred while traveling out of state and returning a fugitive from justice to Kentucky.

KRS 29A.170 and KRS 30A.110 require that all jurors in circuit and district court be paid a daily compensation of \$12.50 per day plus expenses. The Finance and Administration Cabinet administers this compensation and reimbursement program in cooperation with each county circuit court clerk office. Under KRS 29A.180, sequestered jurors are provided meals, housing, transportation, and security which are funded by the Finance and Administration Cabinet.

Pursuant to KRS 70.170, the Finance and Administration Cabinet administers the sheriffs' expense allowance program by issuing monthly checks to each of the 120 county sheriffs. The payments of \$300 per month are for expenses incurred in the performance of his or her official duties.

KRS 62.140 and KRS 62.155 requires the Commonwealth to reimburse each county sheriff for the cost of bond premiums required by law in the performance of his or her official duties.

Under KRS 27A.630, filing fees for civil actions include \$20 in Circuit Court and \$10 in District Court to support access to justice by indigent clients. The fees are paid to the General Fund, and the Finance and Administration Cabinet distributes them monthly to non-profit agencies designated by the Chief Justice in each judicial district to provide the legal services. In previous years these have been accounted for as expenditures requiring an appropriation upon recommendation of the Finance Cabinet. These will be considered as reductions to revenue and accounted for solely on the revenue side of the ledger.

Policy

Funds required to pay county costs are appropriated and additional funds may be allotted from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705) by the Secretary of the Finance and Administration Cabinet as a necessary governmental expense, subject to the conditions and procedures provided in the Appropriations Act.

The Executive Budget includes additional General Fund in the amount of \$3,000,000 in each fiscal year for the Sheriffs' Fees program for costs that were previously considered a necessary government expense. Expenses that exceed this amount will be considered a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

The Executive Budget includes additional General Fund in the amount of \$1,000,000 in each fiscal year for the Public Defender program for costs that were previously considered a necessary government expense. Expenses that exceed this amount will be considered a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

The Executive Budget includes a wage of \$9 per hour for court security officers.

The Executive Budget suspends the provisions of KRS 70.170 and provides no funding for the Sheriff's Expense Allowance program.

Finance and Administration
Commonwealth Office of Technology

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation			4,226,000	641,000	1,923,000
Total General Fund			4,226,000	641,000	1,923,000
Restricted Funds					
Balance Forward	10,666,700	6,004,700	6,004,700	3,704,700	1,611,500
Current Receipts	120,743,200	131,616,100	131,616,100	131,616,100	131,616,100
Fund Transfers	-8,000,000				
Total Restricted Funds	123,409,900	137,620,800	137,620,800	135,320,800	133,227,600
Federal Fund					
Current Receipts	10,000	10,000	10,000	10,000	10,000
Total Federal Fund	10,000	10,000	10,000	10,000	10,000
TOTAL SOURCE OF FUNDS	123,419,900	137,630,800	141,856,800	135,971,800	135,160,600
EXPENDITURES BY CLASS					
Personnel Costs	67,298,600	75,754,600	75,750,600	75,249,100	74,695,700
Operating Expenses	42,515,000	48,269,900	48,273,900	48,568,600	48,568,600
Grants Loans Benefits	10,000	10,000	10,000	10,000	10,000
Debt Service			4,226,000	641,000	1,923,000
Capital Outlay	9,891,600	7,591,600	7,591,600	9,891,600	9,891,600
TOTAL EXPENDITURES	119,715,200	131,626,100	135,852,100	134,360,300	135,088,900
EXPENDITURES BY FUND SOURCE					
General Fund			4,226,000	641,000	1,923,000
Restricted Funds	119,705,200	131,616,100	131,616,100	133,709,300	133,155,900
Federal Fund	10,000	10,000	10,000	10,000	10,000
TOTAL EXPENDITURES	119,715,200	131,626,100	135,852,100	134,360,300	135,088,900
EXPENDITURES BY UNIT					
Commonwealth Office of Technology	6,110,000	4,046,900	8,315,100	7,487,400	8,786,800
Chief Information Security Officer	5,800,000	9,259,800	9,340,700	9,235,100	9,280,200
Application Development	13,097,500	13,470,400	12,388,300	13,434,100	12,294,200
IT Services and Delivery	83,000,000	91,994,100	92,773,500	91,402,300	91,827,100
Office of Enterprise Technology	6,000,000	6,298,700	6,345,300	6,285,700	6,311,600
IT Service Management	5,707,700	6,556,200	6,689,200	6,515,700	6,589,000
TOTAL EXPENDITURES	119,715,200	131,626,100	135,852,100	134,360,300	135,088,900

The Commonwealth Office of Technology (COT) provides leadership, policy direction, and technical support to all executive branch agencies in the application of information technology and the delivery of information services. This broad statement of responsibility encompasses major information resource functions such as data center operations; voice, data, and video communications; application development; data security administration; computer hardware selection and installation; and related end-user and customer support services. The workload for COT is highly sensitive to agency programmatic shifts, particularly changes mandated by state and federal legislation.

COT consists of six units: Commissioner, Chief Information Security Officer, Application Development, Infrastructure Services, Enterprise Technology, and IT Service Management.

The Commissioner's Office is responsible for developing strategies and policies to promote the effective application of information technology within state government as a means of saving money, increasing efficiency and employee productivity, and improving services to the public, including electronic access to information of the Commonwealth.

The Chief Information Security Officer manages security, access and acceptable use policies for all COT functions. As more and more of the Commonwealth's mission-critical applications go on-line, their potential exposure to malicious activity increases. In addition to maintaining the physical security of the Commonwealth Data Center and other COT

facilities, the Security Office develops and maintains the disaster recovery business continuity plan.

The Office of Infrastructure Services operates the Commonwealth's enterprise computing and communications environment. This Office includes the daily operation of the Commonwealth Data Center and the Alternate Data Center, operation and maintenance of the Kentucky Information Highway, and all communication services, including data, voice, video, and wireless. Other responsibilities include providing help desk assistance to end-users and ensuring the security of client information in the areas of electronic commerce and network computing.

The Office of Enterprise Technology is responsible for the statewide strategic information technology (IT) plan. Staff in this office assist state agencies in developing their own IT plans that conform with the policies and architecture standards determined by COT. Other responsibilities include enterprise capacity planning, testing, research, and development.

The Office of IT Service Management is responsible for the IT Infrastructure Library (ITIL) framework and support functions of COT. The office will oversee the transition of agency IT infrastructure to COT as part of the IT infrastructure consolidation initiative.

The Office of Application Development analyzes, designs, develops and installs systems and applications for client agencies throughout state government. Support is provided for systems that drive mission-critical activities for the Commonwealth, including public assistance, public health and safety, collection of taxes, and financial and personnel management of state government. The Office provides consulting services and support in a broad range of technical environments including Windows NT, 2000, and XP; UNIX; and Z/OS using languages such as Java, VB, .NET, COBOL, SAS, and others.

The Commonwealth Office of Technology operates as an internal service fund agency with budgetary support derived through the application of a federally-approved cost allocation plan, which distributes costs to user agencies based upon utilization of services. The rate schedule by which COT bills agencies for IT services is reviewed annually and adjusted as necessary to accurately reflect actual cost. By consolidating infrastructure services and purchases of equipment and software licenses, COT is able to provide many basic services at very competitive rates.

Executive Order 2012-880 directed that operational control and management of all information technology infrastructure services for the Executive Branch be consolidated under COT. Infrastructure services include computing equipment, server, storage, network, desktop support, telephony, IT facilities and enterprise-level shared systems, IT security, disaster recovery and business continuity, database administration, software licensing, and related planning, administration, asset management, and procurement. The consolidation of IT infrastructure services required the transfer of 218 IT infrastructure employees from various state agencies to COT. The Executive Order also created the position of Chief Information Officer (CIO) as the head of COT and made the CIO a member of the Governor's Executive Cabinet.

Executive Order 2017-0889, effective December 16, 2017, directed that the Executive Director of the Commonwealth Office of Technology would also serve as the Chief Information Officer of all Executive Branch agencies. The Commonwealth Office of Technology shall be the lead agency within the Executive Branch concerning delivery of information technology services, including application development and delivery.

Policy

The Executive Budget provides General Fund in the amount of \$641,000 in fiscal year 2018-2019 and \$1,923,000 in fiscal year 2019-2020 for debt service on new bonds included in the capital budget.

Finance and Administration

Revenue

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	90,756,400	109,252,800	126,146,700	95,204,300	101,965,600
Budget Reduction-General Fund	-4,613,300				
Reorganization Adjustment	-700,000				
Total General Fund	85,443,100	109,252,800	126,146,700	95,204,300	101,965,600
Tobacco Fund					
Tobacco Settlement - Phase I	250,000	250,000	250,000	250,000	250,000
Total Tobacco Fund	250,000	250,000	250,000	250,000	250,000
Restricted Funds					
Balance Forward	3,251,100	2,110,700	1,061,300	2,110,700	1,011,200
Current Receipts	11,520,200	11,611,200	11,702,200	11,611,200	11,702,200
Total Restricted Funds	14,771,300	13,721,900	12,763,500	13,721,900	12,713,400
Federal Fund					
Current Receipts	270,000				
Total Federal Fund	270,000				
Road Fund					
Regular Appropriation	3,097,800	3,097,800	3,097,800	3,577,500	3,621,000
Total Road Fund	3,097,800	3,097,800	3,097,800	3,577,500	3,621,000
TOTAL SOURCE OF FUNDS	103,832,200	126,322,500	142,258,000	112,753,700	118,550,000
EXPENDITURES BY CLASS					
Personnel Costs	78,436,800	98,274,900	103,615,200	87,709,300	88,696,300
Operating Expenses	23,284,700	26,966,300	26,679,900	24,033,200	24,033,200
Debt Service			11,860,000		5,820,500
Capital Outlay		20,000			
TOTAL EXPENDITURES	101,721,500	125,261,200	142,155,100	111,742,500	118,550,000
EXPENDITURES BY FUND SOURCE					
General Fund	85,443,100	109,252,800	126,146,700	95,204,300	101,965,600
Tobacco Fund	250,000	250,000	250,000	250,000	250,000
Restricted Funds	12,660,600	12,660,600	12,660,600	12,710,700	12,713,400
Federal Fund	270,000				
Road Fund	3,097,800	3,097,800	3,097,800	3,577,500	3,621,000
TOTAL EXPENDITURES	101,721,500	125,261,200	142,155,100	111,742,500	118,550,000
EXPENDITURES BY UNIT					
Commissioner's Office	33,468,900	38,992,300	51,035,500	34,248,800	40,125,000
Property Valuation	7,092,700	8,572,900	8,762,400	6,863,700	6,964,700
Field Operations	13,838,500	17,553,400	17,892,300	16,797,500	17,017,300
Income Taxation	9,184,700	11,447,800	11,729,500	11,027,400	11,180,900
Sales and Excise Taxes	9,251,500	11,270,800	11,270,600	8,956,200	9,024,200
Processing and Enforcement	28,408,100	36,835,400	40,863,100	33,298,500	33,680,000
Office of Tax Policy & Regulation	477,100	588,600	601,700	550,400	557,900
TOTAL EXPENDITURES	101,721,500	125,261,200	142,155,100	111,742,500	118,550,000

The Department of Revenue is responsible for the accurate and equitable administration of all state revenue laws, and for the assessment and collection of over 40 separate state taxes. The Department aims to ensure the taxpayer's voluntary compliance with the revenue laws, to enforce such laws in those instances where necessary, and to supervise and assist county property valuation administrators in assessing property for taxation.

The Commissioner's Office includes the Division of Protest Resolution, the Security and Disclosure Branch, and the Taxpayer Ombudsman. Department-wide costs such as office rent, printing, postage, and information technology are budgeted in this unit.

The Office of Property Valuation monitors and evaluates the real property assessments produced by the 120 locally-elected Property Valuation Administrators (PVAs). The office is charged with assessing the property of public service companies; collecting and distributing personal property taxes; and providing education, training, and technical support to the PVAs and sheriffs.

The Office of Field Operations has 10 regional taxpayer service centers located across the state and is responsible for field audits and providing taxpayer assistance.

The Office of Income Taxation administers individual and business income taxes, including employer withholding. The Office is responsible for technical tax research, compliance, taxpayer assistance, tax-specific training, and publications.

The Office of Sales and Excise Taxes administers sales and use taxes and miscellaneous excise taxes. The Office conducts technical tax research and is responsible for compliance, taxpayer assistance, training and publications.

The Office of Processing and Enforcement receives all tax receipts, returns, refunds, documents and correspondence; registers new businesses; and maintains appropriate storage, retrieval and management of tax records for the Commonwealth.

The Office of Tax Policy and Regulation is responsible for providing oral and written technical advice on Kentucky tax law; drafting proposed tax legislation and regulations; analyzing tax publications; providing expert witness testimony in tax litigation cases; providing consultation and assistance in protested tax cases; and conducting training and education programs.

Policy

Included in the above General Fund appropriation is \$5,820,500 in fiscal year 2019-2020 for new debt service to support new bonds included in the capital budget.

**Finance and Administration
Property Valuation Administrators**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	47,600,200	66,077,900	68,105,300	46,754,900	48,069,000
Budget Reduction-General Fund	-2,438,400				
Total General Fund	45,161,800	66,077,900	68,105,300	46,754,900	48,069,000
Restricted Funds					
Balance Forward	198,500	198,500	198,500	198,500	
Current Receipts	4,690,000	3,500,000	3,500,000	3,500,000	3,500,000
Total Restricted Funds	4,888,500	3,698,500	3,698,500	3,698,500	3,500,000
TOTAL SOURCE OF FUNDS	50,050,300	69,776,400	71,803,800	50,453,400	51,569,000
EXPENDITURES BY CLASS					
Personnel Costs	49,419,800	69,295,100	71,322,300	50,453,400	51,569,000
Operating Expenses	432,000	481,300	481,500		
TOTAL EXPENDITURES	49,851,800	69,776,400	71,803,800	50,453,400	51,569,000
EXPENDITURES BY FUND SOURCE					
General Fund	45,161,800	66,077,900	68,105,300	46,754,900	48,069,000
Restricted Funds	4,690,000	3,698,500	3,698,500	3,698,500	3,500,000
TOTAL EXPENDITURES	49,851,800	69,776,400	71,803,800	50,453,400	51,569,000
EXPENDITURES BY UNIT					
Property Valuation Administrators	49,851,800	69,776,400	71,803,800	50,453,400	51,569,000
TOTAL EXPENDITURES	49,851,800	69,776,400	71,803,800	50,453,400	51,569,000

Each of the state's 120 counties has a locally elected Property Valuation Administrator (PVA). The PVA and an appointed staff are responsible for locating, identifying, and assessing at fair market value all taxable real property (land and improvements) and tangible personal property in the county. Tax revenues generated by these assessments are used to fund services provided by the state, cities, counties, and school districts as well as special taxing districts such as fire departments, libraries, extension offices, and refuse disposal services. Funding for PVA offices is provided by state, county, and city governments as well as from sales of maps and other geographic information.

Health and Family Services

Health and Family Services

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,713,948,100	2,993,889,800	3,196,298,600	2,697,188,900	2,847,360,600
Budget Reduction-General Fund	-69,620,100				
Total General Fund	2,644,328,000	2,993,889,800	3,196,298,600	2,697,188,900	2,847,360,600
Tobacco Fund					
Tobacco Settlement - Phase I	23,954,200	23,954,200	23,954,200	34,496,100	33,191,900
Current Year Appropriation	12,064,200				
Continuing Approp-Tob Settlement	9,034,200				
Total Tobacco Fund	45,052,600	23,954,200	23,954,200	34,496,100	33,191,900
Restricted Funds					
Balance Forward	75,672,700	59,175,700	21,133,400	59,175,700	18,153,200
Current Receipts	671,303,000	692,126,200	692,293,400	692,126,200	692,293,400
Non-Revenue Receipts	402,310,600	345,756,600	345,011,100	343,387,900	342,195,800
Total Restricted Funds	1,149,286,300	1,097,058,500	1,058,437,900	1,094,689,800	1,052,642,400
Federal Fund					
Balance Forward	25,180,400	38,500	16,400		
Current Receipts	9,845,059,300	10,141,862,600	10,322,137,300	10,093,784,300	10,225,261,300
Non-Revenue Receipts	18,300	19,200	19,200	19,200	19,200
Total Federal Fund	9,870,258,000	10,141,920,300	10,322,172,900	10,093,803,500	10,225,280,500
TOTAL SOURCE OF FUNDS	13,708,924,900	14,256,822,800	14,600,863,600	13,920,178,300	14,158,475,400
EXPENDITURES BY CLASS					
Personnel Costs	1,069,570,000	1,119,936,800	1,114,351,800	1,085,831,900	1,036,868,100
Operating Expenses	118,230,400	134,817,700	135,429,000	129,703,900	129,580,100
Grants Loans Benefits	12,449,821,200	12,969,593,600	13,318,395,100	12,674,990,900	12,974,908,400
Debt Service	11,261,200	11,257,500	25,155,200	11,431,000	12,300,700
Capital Outlay	866,400	67,400	67,400	67,400	67,400
TOTAL EXPENDITURES	13,649,749,200	14,235,673,000	14,593,398,500	13,902,025,100	14,153,724,700
EXPENDITURES BY FUND SOURCE					
General Fund	2,644,328,000	2,993,889,800	3,196,298,600	2,697,188,900	2,847,360,600
Tobacco Fund	45,052,600	23,954,200	23,954,200	34,496,100	33,191,900
Restricted Funds	1,090,110,600	1,075,925,100	1,050,972,800	1,076,536,600	1,047,891,700
Federal Fund	9,870,258,000	10,141,903,900	10,322,172,900	10,093,803,500	10,225,280,500
TOTAL EXPENDITURES	13,649,749,200	14,235,673,000	14,593,398,500	13,902,025,100	14,153,724,700
EXPENDITURES BY UNIT					
Health Benefit and Information Exchange	5,552,200	5,063,900	5,100,500	5,063,900	5,100,500
General Administration and Program Support	103,967,000	113,986,100	117,267,900	111,227,400	112,343,500
Health Policy	2,273,200	2,465,800	2,326,000	2,303,300	2,139,100
Aging and Independent Living	70,600,300	82,657,700	83,138,900	71,870,200	72,075,900
Income Support	108,676,600	122,821,000	125,851,300	104,880,400	105,404,100
Public Health	368,131,200	415,654,700	419,543,200	367,152,900	367,609,900
Behavioral Health, Developmental & Intellectual Disabilities	445,750,100	506,867,900	507,574,700	432,621,400	417,937,300
Family Resource Centers and Volunteer Services	8,381,700	15,366,700	15,406,900	8,568,600	8,598,000
Community Based Services	1,100,663,800	1,251,911,900	1,265,836,800	1,237,639,100	1,244,246,400
Medicaid Services	11,415,697,300	11,697,369,200	12,029,493,300	11,539,597,300	11,796,977,500
Comm for Children with Special Health Care Needs	20,055,800	21,508,100	21,859,000	21,100,600	21,292,500

EXPENDITURES BY UNIT
TOTAL EXPENDITURES

13,649,749,200 14,235,673,000 14,593,398,500 13,902,025,100 14,153,724,700

The Cabinet for Health and Family Services is the primary state agency responsible for leadership in protecting and promoting the health and well-being of all Kentuckians through the delivery of quality health and human services. The following departments and/or offices comprise the Cabinet for Health and Family Services: the Office of the Secretary, Office of Communications and Administrative Review, Office of the Inspector General, Office of Legal Services, Office of Administrative and Technology Services, Office of Human Resource Management, Office of Policy and Budget, Office of Legislative and Regulatory Affairs, Office of the Ombudsman and Kentucky Health Information Exchange which comprise the Administration and Program Support appropriation unit. Remaining agencies/appropriation units within the Cabinet include the Kentucky Office of Health Benefit Exchange; the Office of Health Policy; Department for Medicaid Services; Department for Behavioral Health, Developmental and Intellectual Disabilities; Department for Public Health; Department for Aging and Independent Living; Department for Community Based Services; Department for Income Support; Department for Family Resource Centers and Volunteer Services; and the Commission for Children with Special Health Care Needs.

Health and Family Services
General Administration and Program Support

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	30,747,700	38,543,500	41,400,300	35,784,800	36,475,900
Budget Reduction-General Fund	-89,800				
Reorganization Adjustment	586,800				
Total General Fund	31,244,700	38,543,500	41,400,300	35,784,800	36,475,900
Restricted Funds					
Balance Forward	3,833,000	3,713,900	2,881,300	3,713,900	2,881,300
Current Receipts	9,600,600	9,144,600	9,144,600	9,144,600	9,144,600
Non-Revenue Receipts	11,392,300	11,392,300	11,392,300	11,392,300	11,392,300
Total Restricted Funds	24,825,900	24,250,800	23,418,200	24,250,800	23,418,200
Federal Fund					
Balance Forward	2,957,800				
Current Receipts	48,652,500	54,073,100	54,457,500	54,073,100	54,457,500
Total Federal Fund	51,610,300	54,073,100	54,457,500	54,073,100	54,457,500
TOTAL SOURCE OF FUNDS	107,680,900	116,867,400	119,276,000	114,108,700	114,351,600
EXPENDITURES BY CLASS					
Personnel Costs	82,035,300	92,068,200	93,519,600	88,714,800	89,476,700
Operating Expenses	21,931,700	21,917,900	21,961,300	22,410,100	22,559,300
Debt Service			1,787,000	102,500	307,500
TOTAL EXPENDITURES	103,967,000	113,986,100	117,267,900	111,227,400	112,343,500
EXPENDITURES BY FUND SOURCE					
General Fund	31,244,700	38,543,500	41,400,300	35,784,800	36,475,900
Restricted Funds	21,112,000	21,369,500	21,410,100	21,369,500	21,410,100
Federal Fund	51,610,300	54,073,100	54,457,500	54,073,100	54,457,500
TOTAL EXPENDITURES	103,967,000	113,986,100	117,267,900	111,227,400	112,343,500
EXPENDITURES BY UNIT					
Administrative Support	78,130,000	83,969,100	86,608,200	83,137,800	83,951,000
Inspector General	25,837,000	30,017,000	30,659,700	28,089,600	28,392,500
TOTAL EXPENDITURES	103,967,000	113,986,100	117,267,900	111,227,400	112,343,500

General Administration and Program Support consists of Administrative Support and the Office of the Inspector General (OIG).

The Administrative Support area includes the Office of the Secretary, the Office of Legal Services, the Office of Communications and Administrative Review, the Office of Human Resource Management, the Office of Legislative & Regulatory Affairs, the Office of Policy and Budget, the Office of Administrative and Technology Services, the Kentucky Health Information Exchange, and the Office of the Ombudsman. These offices provide policy, administrative, legal, financial, technological, and personnel support services to the program areas of the Cabinet.

The Office of Inspector General provides support to other programs in the Cabinet for Health and Family Services as well as its programmatic functions of health care facility licensure and child care facility regulation.

The OIG has three major functions:

- Audits and Investigations
- Child Care Licensing and Regulation
- Health Care Licensing

Policy

The Executive Budget includes General Fund in the amount of \$102,500 in fiscal year 2018-2019 and \$307,500 in fiscal year 2019-2020 to support new bonds as set forth in Part II, Capital Projects Budget.

**Health and Family Services
General Administration and Program Support
Administrative Support**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	25,331,300	30,152,700	32,542,400	29,321,400	29,885,200
Reorganization Adjustment	586,800				
Total General Fund	25,918,100	30,152,700	32,542,400	29,321,400	29,885,200
Restricted Funds					
Balance Forward	1,260,600	840,400	420,200	840,400	420,200
Current Receipts	4,906,100	4,906,100	4,906,100	4,906,100	4,906,100
Non-Revenue Receipts	11,392,300	11,392,300	11,392,300	11,392,300	11,392,300
Total Restricted Funds	17,559,000	17,138,800	16,718,600	17,138,800	16,718,600
Federal Fund					
Balance Forward	2,957,800				
Current Receipts	32,535,500	37,097,800	37,347,200	37,097,800	37,347,200
Total Federal Fund	35,493,300	37,097,800	37,347,200	37,097,800	37,347,200
TOTAL SOURCE OF FUNDS	78,970,400	84,389,300	86,608,200	83,558,000	83,951,000
EXPENDITURES BY CLASS					
Personnel Costs	58,953,500	64,806,400	65,615,100	63,359,200	63,818,200
Operating Expenses	19,176,500	19,162,700	19,206,100	19,676,100	19,825,300
Debt Service			1,787,000	102,500	307,500
TOTAL EXPENDITURES	78,130,000	83,969,100	86,608,200	83,137,800	83,951,000
EXPENDITURES BY FUND SOURCE					
General Fund	25,918,100	30,152,700	32,542,400	29,321,400	29,885,200
Restricted Funds	16,718,600	16,718,600	16,718,600	16,718,600	16,718,600
Federal Fund	35,493,300	37,097,800	37,347,200	37,097,800	37,347,200
TOTAL EXPENDITURES	78,130,000	83,969,100	86,608,200	83,137,800	83,951,000

Administrative Support provides funding for nine organizational units within the Cabinet for Health and Family Services (CHFS) including the Office of the Secretary, the Office of Legal Services, the Office of Communications and Administrative Review, the Office of Human Resource Management, the Office of Legislative & Regulatory Affairs, the Office of Policy and Budget, the Office of Administrative and Technology Services, the Kentucky Health Information Exchange, and the Office of the Ombudsman.

The Office of the Secretary provides leadership, oversight and guidance in order for CHFS to deliver quality services that enhance the health, safety, and wellbeing of all people in the Commonwealth of Kentucky. Legal Services provides legal guidance and assistance to all units of the Cabinet in any legal action in which it may be involved. This office provides legal representation for the Cabinet in federal courts, state courts, and before quasi-judicial and administrative bodies; administers all personal service contracts of the Cabinet for legal services; assists in drafting and reviewing legislation, regulations, statutes, and other legal documents and instruments; and provides the Secretary, Commissioners, and Directors in the Cabinet with the legal guidance and representation necessary for them to properly administer the Cabinet's programs.

Communications and Administrative Review is responsible for providing qualified administrative law judges/hearing officials to conduct administrative hearings related to Cabinet matters, overseeing and monitoring legislative activities, and representing the Cabinet in matters of public information, including media inquiries, open records requests, press releases, public relations, and internal communications.

Human Resource Management serves all Cabinet employees and programs and provides payroll and health benefits administration, equal employment opportunity compliance, and professional development and training activities. This office serves as the Cabinet's appointing authority and performs all the duties, responsibilities and functions required to maintain an effective and efficient personnel management system in accordance with the Kentucky Revised Statutes, Kentucky Administrative Regulations, and the policy guidelines of the Secretary of the Cabinet.

Legislative & Regulatory Affairs coordinates activities related to the Cabinet's public policy initiatives and administrative and legislative agendas with other governmental and private agencies. The office is responsible for coordination and oversight of over 660 regulations in the cabinet on behalf of the Office of the Secretary, including the Governor's Red Tape Reduction initiative. This office develops, implements, and pursues the cabinet's legislative agenda including reviewing, evaluating, and analyzing all legislative, regulatory, and public policy proposals impacting the cabinet and responding to requests for public policy information from the cabinet. Each legislative session, CHFS and its departments provide comprehensive reviews, analysis, and feedback on approximately 200 bills and numerous amendments impacting the cabinet's departments and programs.

Policy and Budget manages the cabinet's \$13B annual budget in coordination with departments on behalf of the Office of the Secretary. This office reviews and coordinates activities related to budgetary and programmatic issues across agency lines within the cabinet as well as with other state agencies outside the cabinet, including the Governor's Office for Policy and Management, the Finance and Administration Cabinet, and the Legislative Research Commission. In addition, the office reviews legislation for fiscal impact on the cabinet and responds to budgetary requests for information from various sources.

Administrative and Technology Services consists of Cabinet functions related to accounting, facilities management, procurement, and technology services. Accounting services is responsible for tracking of accounting and payments including travel for the Cabinet; filing required financial reports, including federal cash management activities; responding to audits of the Cabinet's programs, and providing maintenance and security of the accounting systems. Facility Services is responsible for monitoring all facilities of the Cabinet, including space design and utilization, establishment, monitoring, and reporting on safety programs, property insurance, claims processing, preparation and maintenance of the Cabinet's Six-Year Capital Plan; coordinating, tracking, and monitoring capital construction projects; tracking and reporting on the Cabinet's physical assets and public records. Procurement services oversees the purchasing and procurement process, provides technical support to Cabinet staff in procurement and contracting procedures, and ensures compliance with all applicable statutes, regulations, policy, and procedures related to procurement. Technology Services provides technology resources for the Cabinet, including the development, operation, and security of the extensive statewide application systems that support direct delivery of frontline services.

The Kentucky Health Information Exchange (KHIE) serves as a focal point for e-health initiatives in the Commonwealth. KHIE helps health care providers in utilizing health technology to improve patient care, reduce medical errors, and make more efficient use of health care dollars by reducing redundant services.

The Ombudsman answers questions from recipients of CHFS programs and provides information to the public about CHFS programs. The Office also investigates customer complaints and works with CHFS management to resolve them. The Ombudsman advises CHFS management regarding patterns of complaints and recommends corrective action when appropriate. Staff conducts federally mandated management evaluation and access reviews for the food stamp program and assists in writing county and regional corrective action plans. The Ombudsman is responsible for determining administrative hearing eligibility related to service complaints regarding the Department for Community Based Services Protection and Permanency cases and requests to appeal child abuse and/or child neglect substantiations. The CHFS Institutional Review Board for the Protection of Human Subjects is housed within the Office of the Ombudsman. The Board reviews and approves all research projects conducted by CHFS or involving CHFS clients or employees as subjects to ensure that the safety and welfare of the research subjects is protected.

**Health and Family Services
General Administration and Program Support
Inspector General**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,416,400	8,390,800	8,857,900	6,463,400	6,590,700
Budget Reduction-General Fund	-89,800				
Total General Fund	5,326,600	8,390,800	8,857,900	6,463,400	6,590,700
Restricted Funds					
Balance Forward	2,572,400	2,873,500	2,461,100	2,873,500	2,461,100
Current Receipts	4,694,500	4,238,500	4,238,500	4,238,500	4,238,500
Total Restricted Funds	7,266,900	7,112,000	6,699,600	7,112,000	6,699,600
Federal Fund					
Current Receipts	16,117,000	16,975,300	17,110,300	16,975,300	17,110,300
Total Federal Fund	16,117,000	16,975,300	17,110,300	16,975,300	17,110,300
TOTAL SOURCE OF FUNDS	28,710,500	32,478,100	32,667,800	30,550,700	30,400,600
EXPENDITURES BY CLASS					
Personnel Costs	23,081,800	27,261,800	27,904,500	25,355,600	25,658,500
Operating Expenses	2,755,200	2,755,200	2,755,200	2,734,000	2,734,000
TOTAL EXPENDITURES	25,837,000	30,017,000	30,659,700	28,089,600	28,392,500
EXPENDITURES BY FUND SOURCE					
General Fund	5,326,600	8,390,800	8,857,900	6,463,400	6,590,700
Restricted Funds	4,393,400	4,650,900	4,691,500	4,650,900	4,691,500
Federal Fund	16,117,000	16,975,300	17,110,300	16,975,300	17,110,300
TOTAL EXPENDITURES	25,837,000	30,017,000	30,659,700	28,089,600	28,392,500

The Inspector General has three divisions: the Division of Audits and Investigations, the Division of Regulated Child Care, and the Division of Health Care. The general authority for the Office of the Inspector General is codified within KRS 194A.030.

The Division of Audits and Investigations examine Cabinet programs to assess contractor compliance with state and federal laws and regulations. In accordance with KRS 194A.030, the Division is responsible for conducting audits of programs within the Cabinet for Health and Family Services, their grantees and contractors. Investigations are conducted to detect fraud or abuse of any program by any client, or vendor of services with whom the Cabinet has contracted. Special investigations may be requested by the Secretary, commissioners, or agency heads into matters related to the Cabinet and its programs. Any information relevant to possible criminal violations is forwarded to the appropriate prosecuting authority. The agency operates a toll-free welfare and Medicaid fraud and abuse hotline (mandated by KRS 205.8483 and 42 CFR 455); conducts investigations of Women, Infants, and Children program vendors; and collects and reports data on assistance program fraud investigations by the Office of the Inspector General and the Office of the Attorney General. The Kentucky All Schedule Prescription Enforcement Reporting or KASPER system is also maintained here.

Regulated Child Care is charged with licensing certified Family Day Care homes, licensed day care centers (Type I and II), child caring facilities, child-placing agencies, and private adoptive service agencies. This includes initial licensure surveys, yearly re-licensure surveys, and complaint surveys.

Health Care Licensing is responsible for inspecting, monitoring, licensing and certifying all health care facilities as defined by KRS 216.510 (1). On-site inspections are conducted of all health facilities and services throughout the state (including nursing homes, hospitals and laboratories) to determine compliance with state licensing standards and federal Medicare and Medicaid certification requirements. Allegations of abuse and neglect that may occur in a licensed health facility are also investigated.

Health and Family Services
Commission for Children with Special Health Care Needs

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,824,800	5,624,800	5,624,800	5,249,000	5,249,000
Reorganization Adjustment	-200,000				
Total General Fund	5,624,800	5,624,800	5,624,800	5,249,000	5,249,000
Restricted Funds					
Balance Forward	4,724,600	4,259,700	2,342,500	4,259,700	2,374,200
Current Receipts	9,400,000	9,400,000	9,400,000	9,400,000	9,400,000
Total Restricted Funds	14,124,600	13,659,700	11,742,500	13,659,700	11,774,200
Federal Fund					
Balance Forward	14,700				
Current Receipts	4,551,400	4,566,100	4,566,100	4,566,100	4,566,100
Total Federal Fund	4,566,100	4,566,100	4,566,100	4,566,100	4,566,100
TOTAL SOURCE OF FUNDS	24,315,500	23,850,600	21,933,400	23,474,800	21,589,300
EXPENDITURES BY CLASS					
Personnel Costs	13,034,000	15,285,300	15,636,200	14,795,400	14,987,300
Operating Expenses	2,148,800	2,148,800	2,148,800	2,231,200	2,231,200
Grants Loans Benefits	4,069,000	4,069,000	4,069,000	4,069,000	4,069,000
Capital Outlay	804,000	5,000	5,000	5,000	5,000
TOTAL EXPENDITURES	20,055,800	21,508,100	21,859,000	21,100,600	21,292,500
EXPENDITURES BY FUND SOURCE					
General Fund	5,624,800	5,624,800	5,624,800	5,249,000	5,249,000
Restricted Funds	9,864,900	11,317,200	11,668,100	11,285,500	11,477,400
Federal Fund	4,566,100	4,566,100	4,566,100	4,566,100	4,566,100
TOTAL EXPENDITURES	20,055,800	21,508,100	21,859,000	21,100,600	21,292,500
EXPENDITURES BY UNIT					
Children's Health Services	20,055,800	21,508,100	21,859,000	21,100,600	21,292,500
TOTAL EXPENDITURES	20,055,800	21,508,100	21,859,000	21,100,600	21,292,500

The Commission for Children with Special Health Care Needs (CCSHCN) has over 93 years of experience in providing care for children with a variety of special needs. The mission of the Commission for Children with Special Health Care Needs (CCSHCN) is to enhance the quality of life for Kentucky's children with special health care needs through quality service, leadership, advocacy, education and collaboration with community partners to ensure that services to children are comprehensive, community-based, family-centered and coordinated. CCSHCN supports the highest quality of life for Kentucky's children with special health care needs and their families through collaboration and facilitation of an easily accessible community based system of support. Improved communication across the service delivery system is a high priority goal to avoid duplication while improving access to quality services.

CCSHCN is charged with planning, developing, providing, and evaluating the public statewide system of care for children with special health care needs and providing early hearing and detection intervention services. CCSHCN works collaboratively with other agencies to assure services to children with disabilities are comprehensive, community-based, family-centered, and coordinated, thus avoiding duplication and fragmentation of the service delivery system. Accessibility is a key component of the delivery system. The program provides an array of preventative, diagnostic, and treatment services for special needs children and youth under 21 including: medical care, hospitalization, medications, durable medical goods, case management, therapy, transportation, and nutritional education. Because rapid advances in medical science have enabled over 90 percent of youth with disabilities and chronic conditions to reach adulthood, the program has expanded its focus to include services and supports for academic achievement, transition from education to employment, from pediatric to adult health care, and to independent living. Because health care is so critical to learning and success in school, CCSHCN has an active partnership with the Kentucky Department of Education and other health, education, and social services providers to support children and youth and families and their schools. The Early Hearing Detection and Intervention Program provide surveillance and support for statewide screening for the early detection of hearing disorders and referral for follow-up treatment. The Hemophilia Program provides medical and social services to

children and adults with blood disorders. The Foster Care Program represents a collaborative effort with the Department of Community Based Services to provide medical consultation services to the foster care support program by making regular home visits to the entire population of medically fragile foster care children and acting as onsite, medical resources for the social workers charged with responsibility for both children who are currently in the child welfare system and those who may be at risk for entering that system.

The family's financial status can play a role in determining whether the child is accepted into the Children with Special Health Care Needs Program and/or Hemophilia Program. All programs serve children and youth with or at-risk for special health care needs under age 21, with the exception of the Hemophilia Program, which also serves adults. The direct service programs require that specific medical eligibility requirements be met. For families with incomes less than 213% of the federal poverty level, a sliding scale is applied to determine the amount the family must contribute for treatment. Eligible children and youth in families with incomes in excess of 213% of federal poverty level also can receive services if they reside in medically under-served areas of the state, would benefit from a multidisciplinary approach to care, and/or are underinsured in the areas of hearing aids, durable medical equipment or nutritional supplements. These families are required to reimburse CSHCN for the entire costs of their treatment, but are able to take advantage of the Commission's negotiated rates with contracted medical providers.

Health and Family Services

Medicaid Services

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,985,980,000	2,018,124,500	2,191,470,700	1,881,163,500	2,027,437,400
Budget Reduction-General Fund	-64,617,800				
Reorganization Adjustment	-142,200				
Total General Fund	1,921,220,000	2,018,124,500	2,191,470,700	1,881,163,500	2,027,437,400
Tobacco Fund					
Tobacco Settlement - Phase I				2,500,000	2,500,000
Current Year Appropriation	1,000,000				
Total Tobacco Fund	1,000,000			2,500,000	2,500,000
Restricted Funds					
Balance Forward	9,104,600	25,068,100		25,068,100	
Current Receipts	166,643,600	151,983,800	151,789,500	151,983,800	151,789,500
Non-Revenue Receipts	431,589,700	369,220,400	370,818,700	369,220,400	370,818,700
Total Restricted Funds	607,337,900	546,272,300	522,608,200	546,272,300	522,608,200
Federal Fund					
Balance Forward	9,425,200				
Current Receipts	8,901,782,300	9,132,972,400	9,315,414,400	9,109,661,500	9,244,431,900
Total Federal Fund	8,911,207,500	9,132,972,400	9,315,414,400	9,109,661,500	9,244,431,900
TOTAL SOURCE OF FUNDS	11,440,765,400	11,697,369,200	12,029,493,300	11,539,597,300	11,796,977,500
EXPENDITURES BY CLASS					
Personnel Costs	360,593,900	289,020,500	267,881,000	254,227,400	198,562,900
Operating Expenses	6,751,100	6,751,100	6,751,100	6,924,000	6,815,500
Grants Loans Benefits	11,048,342,300	11,401,587,600	11,754,851,200	11,278,435,900	11,591,589,100
Capital Outlay	10,000	10,000	10,000	10,000	10,000
TOTAL EXPENDITURES	11,415,697,300	11,697,369,200	12,029,493,300	11,539,597,300	11,796,977,500
EXPENDITURES BY FUND SOURCE					
General Fund	1,921,220,000	2,018,124,500	2,191,470,700	1,881,163,500	2,027,437,400
Tobacco Fund	1,000,000			2,500,000	2,500,000
Restricted Funds	582,269,800	546,272,300	522,608,200	546,272,300	522,608,200
Federal Fund	8,911,207,500	9,132,972,400	9,315,414,400	9,109,661,500	9,244,431,900
TOTAL EXPENDITURES	11,415,697,300	11,697,369,200	12,029,493,300	11,539,597,300	11,796,977,500
EXPENDITURES BY UNIT					
Medicaid Administration	400,636,800	329,063,400	307,923,900	292,880,900	237,107,900
Medicaid Benefits	11,015,060,500	11,368,305,800	11,721,569,400	11,246,716,400	11,559,869,600
TOTAL EXPENDITURES	11,415,697,300	11,697,369,200	12,029,493,300	11,539,597,300	11,796,977,500

Medicaid Services is comprised of two appropriation units: Administration and Benefits. Additionally, two major programs operate within each of those appropriation units: the Kentucky Medical Assistance program (regular Medicaid program) and the Kentucky Children's Health Insurance program (KCHIP).

The Medical Assistance program provides for comprehensive physical and behavioral health services by reimbursing providers for health care provided to medically indigent Kentuckians. Providers are reimbursed directly on a fee-for-service basis or indirectly through contractual arrangements with managed care organizations who receive a monthly capitation payment for each enrolled recipient. Eligibility for services is determined by staff in each county through a contractual agreement with the Department for Community Based Services. Individuals may automatically qualify for benefits if they are eligible for Supplemental Security Income benefits administered by the Social Security Administration.

KCHIP provides for comprehensive physical and behavioral health services for uninsured children up to 200 percent of the federal poverty level who are not otherwise eligible for Medicaid.

**Health and Family Services
Medicaid Administration**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	40,549,800	72,694,300	90,792,500	57,322,700	59,867,300
Reorganization Adjustment	-142,200				
Total General Fund	40,407,600	72,694,300	90,792,500	57,322,700	59,867,300
Tobacco Fund					
Tobacco Settlement - Phase I				2,500,000	2,500,000
Current Year Appropriation	1,000,000				
Total Tobacco Fund	1,000,000			2,500,000	2,500,000
Restricted Funds					
Balance Forward	823,200	8,760,800		8,760,800	
Current Receipts	105,000	105,000	105,000	105,000	105,000
Non-Revenue Receipts	42,482,200	10,161,400	10,161,400	10,161,400	10,161,400
Total Restricted Funds	43,410,400	19,027,200	10,266,400	19,027,200	10,266,400
Federal Fund					
Balance Forward	9,425,200				
Current Receipts	315,154,400	237,341,900	206,865,000	214,031,000	164,474,200
Total Federal Fund	324,579,600	237,341,900	206,865,000	214,031,000	164,474,200
TOTAL SOURCE OF FUNDS	409,397,600	329,063,400	307,923,900	292,880,900	237,107,900
EXPENDITURES BY CLASS					
Personnel Costs	360,593,900	289,020,500	267,881,000	254,227,400	198,562,900
Operating Expenses	6,751,100	6,751,100	6,751,100	6,924,000	6,815,500
Grants Loans Benefits	33,281,800	33,281,800	33,281,800	31,719,500	31,719,500
Capital Outlay	10,000	10,000	10,000	10,000	10,000
TOTAL EXPENDITURES	400,636,800	329,063,400	307,923,900	292,880,900	237,107,900
EXPENDITURES BY FUND SOURCE					
General Fund	40,407,600	72,694,300	90,792,500	57,322,700	59,867,300
Tobacco Fund	1,000,000			2,500,000	2,500,000
Restricted Funds	34,649,600	19,027,200	10,266,400	19,027,200	10,266,400
Federal Fund	324,579,600	237,341,900	206,865,000	214,031,000	164,474,200
TOTAL EXPENDITURES	400,636,800	329,063,400	307,923,900	292,880,900	237,107,900
EXPENDITURES BY UNIT					
Medical Assistance Administration	396,616,100	325,017,000	303,873,500	288,847,900	233,043,800
KCHIP Administration	4,020,700	4,046,400	4,050,400	4,033,000	4,064,100
TOTAL EXPENDITURES	400,636,800	329,063,400	307,923,900	292,880,900	237,107,900

Administrative functions of the Medicaid program and the Kentucky Children's Health Insurance program (KCHIP) include determining applicant eligibility, formulating policy, processing claims, assuring appropriate utilization of medical services, and managed care oversight. For the fee for service elements of the program, claims are paid through contracts with a fiscal agent and a pharmacy benefits administrator. For the managed care elements of the program, a monthly capitation fee for each member is paid. The Medicaid program contracts for medical review of acute care admissions, level of care determinations for long-term care patients, and care reviews for recipients in mental hospitals and psychiatric facilities.

The Department for Community Based Services performs the eligibility determination function on behalf of the Department for Medicaid Services through a contractual arrangement. The Department for Medicaid Services also administers KCHIP, a program to provide health care services for uninsured children with family incomes below 200 percent of the federal poverty level but above the federal income level for the Medicaid Program.

Policy

The Executive Budget includes General Fund of \$20,000,000 in fiscal year 2019-2020 to replace the 2007 Medicaid Enterprise Management System (MEMS) with a modernized system that complies with the Medicaid Information

Technology Architecture requirements. The state will draw an enhanced federal match in the amount of \$50,596,500 in fiscal year 2019-2020.

The Executive Budget includes General Fund of \$17,501,500 in fiscal year 2018-2019 for the Kentucky HEALTH Medicaid 1115 Waiver demonstration project. The project focuses on “Helping to Engage and Achieve Long Term Health (HEALTH)” for Medicaid participants, with the goal of improving member outcomes.

The Executive Budget provides Phase I Tobacco Settlement Funds in the amount of \$1,000,000 in fiscal year 2017-2018 and \$2,500,000 in each fiscal year 2018-2019 and 2019-2020 for Smoking Cessation activities associated with Kentucky HEALTH.

Health and Family Services

Medicaid Benefits

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,945,430,200	1,945,430,200	2,100,678,200	1,823,840,800	1,967,570,100
Budget Reduction-General Fund	-64,617,800				
Total General Fund	1,880,812,400	1,945,430,200	2,100,678,200	1,823,840,800	1,967,570,100
Restricted Funds					
Balance Forward	8,281,400	16,307,300		16,307,300	
Current Receipts	166,538,600	151,878,800	151,684,500	151,878,800	151,684,500
Non-Revenue Receipts	389,107,500	359,059,000	360,657,300	359,059,000	360,657,300
Total Restricted Funds	563,927,500	527,245,100	512,341,800	527,245,100	512,341,800
Federal Fund					
Current Receipts	8,586,627,900	8,895,630,500	9,108,549,400	8,895,630,500	9,079,957,700
Total Federal Fund	8,586,627,900	8,895,630,500	9,108,549,400	8,895,630,500	9,079,957,700
TOTAL SOURCE OF FUNDS	11,031,367,800	11,368,305,800	11,721,569,400	11,246,716,400	11,559,869,600
EXPENDITURES BY CLASS					
Grants Loans Benefits	11,015,060,500	11,368,305,800	11,721,569,400	11,246,716,400	11,559,869,600
TOTAL EXPENDITURES	11,015,060,500	11,368,305,800	11,721,569,400	11,246,716,400	11,559,869,600
EXPENDITURES BY FUND SOURCE					
General Fund	1,880,812,400	1,945,430,200	2,100,678,200	1,823,840,800	1,967,570,100
Restricted Funds	547,620,200	527,245,100	512,341,800	527,245,100	512,341,800
Federal Fund	8,586,627,900	8,895,630,500	9,108,549,400	8,895,630,500	9,079,957,700
TOTAL EXPENDITURES	11,015,060,500	11,368,305,800	11,721,569,400	11,246,716,400	11,559,869,600
EXPENDITURES BY UNIT					
Medicaid Benefits	10,810,571,600	11,152,939,100	11,497,136,700	11,031,349,700	11,335,436,900
KCHIP Benefits	204,488,900	215,366,700	224,432,700	215,366,700	224,432,700
TOTAL EXPENDITURES	11,015,060,500	11,368,305,800	11,721,569,400	11,246,716,400	11,559,869,600

The Kentucky Medicaid program, under Title XIX of the Social Security Act and KRS 205.520, provides for preventive and remedial medical care for financially and medically indigent citizens in Kentucky who meet the income and resource criteria for Medicaid eligibility. The following services are currently provided by Kentucky's Medicaid program: Inpatient Hospital; Mental Hospital (for individuals under age 21 and age 65 and over); Renal Dialysis; Model Waiver II (home based services for individuals who are ventilator dependent); Psychiatric Residential Treatment Facilities (8-9 bed group homes for adolescents needing psychiatric residential services); Outpatient Hospital (including Emergency Room); Ambulatory Surgical Centers; HANDS (home visiting services for new and expectant parents); Specialized Children's Services Clinics (sexual abuse examinations); School-Based Services (Medicaid coverage for health services provided by schools to children with disabilities); Commission for Children with Special Health Care Needs; Intermediate Care Facility Services for Individuals with Intellectual Disabilities-ICFIID (residential habilitation for Medicaid recipients with intellectual disabilities); Nursing Facility Services (residential placement for the elderly and/or disabled); Preventative Services (health care) through the Local Health Departments; Early Intervention Services for Infants through age 2 with developmental problems; Early and Periodic Screening; Diagnosis and Treatment Services (EPSDT) which is preventive health care for children under 21 and coverage of any Federally-allowable, medically necessary Medicaid service for children, even if the service is not covered by the state's Medicaid plan; Chiropractic; X-ray and Laboratory Services; Physical, Occupational and Speech Therapy; Durable Medical Equipment (DME); Federally Qualified Health Centers (FQHC); Primary Care Centers (PCC); Community Mental Health Centers (CMHC); Rural Health Centers; Family Planning; Home Health services; Supports for Community Living –SCL (long term community services and supports for individuals with intellectual disabilities); Home and Community Based Waiver – HCBS (long term community services and supports for individuals who meet nursing facility level of care); Adult Day Health Care; Brain Injury Waiver Services (long term community services and supports for individuals with acquired brain injuries); Michelle P. Waiver services (long term community services and supports for individuals with intellectual or developmental disabilities); Nurse Anesthetist; Hospice; Transportation (Non-Emergency and Emergency/Ambulance); Pharmacy; Vision Care; Dental; Physician Services; Nurse Practitioner/Midwife; Audiology Services; Podiatry; Comprehensive Outpatient Rehabilitative Facilities (CORF); Distinct Psychiatric Units in hospitals; Distinct Rehabilitative Units in hospitals; Physicians Assistants; Private

Duty Nursing Services; Behavioral health (mental health or substance use disorder services) provided by licensed practitioners, practitioner groups and licensed organizations; Targeted Case Management for individuals with serious mental health or substance abuse disorders; Medicare Premiums (Medicare beneficiaries with incomes below the federal poverty level receive Medicaid assistance for payment of Medicare premiums, deductibles and cost sharing). These individuals are Qualified Medicare Beneficiaries (QMBs). Individuals at the lowest income levels are entitled to full Medicaid benefits. Medicare beneficiaries with income levels slightly higher than poverty receive Medicaid assistance for payment of Medicare premiums. These individuals are Specified Low-Income Medicare Beneficiaries (SLMBs).

Effective January 1, 2014, the federal Patient Protection and Affordable Care Act (ACA) changed the basis for Medicaid eligibility from eligibility categories tied to deprivation to income-based eligibility, with household income for most beneficiaries determined by the Modified Adjusted Gross Income (MAGI) reported on income tax returns. ACA also simplified and streamlined eligibility processes for most beneficiaries. ACA required states with Medicaid benchmark benefit packages, including Kentucky, to align their Medicaid benefits with ten essential health benefits defined by the benchmark plan adopted for the state's health benefit exchange (the 2012 Anthem PPO plan for Kentucky). This required Kentucky to add substance use treatment services and private duty nursing to its benefit package for all Medicaid beneficiaries. Prior to ACA, Kentucky Medicaid only covered substance use treatment for children and pregnant women. Kentucky adopted the adult Medicaid eligibility expansion which extends Medicaid eligibility to individuals in households with income at or below 138% of the federal poverty level (FPL).

Medicaid Enrollment Projections FY 2018-20

	MCO (Traditional Medicaid)	MCO (Medicaid Expansion)	MCO (KCHIP)	Fee For Service (FFS)	Grand Total
SFY_18	757,481	470,391	85,664	154,498	1,468,034
SFY_19	771,625	492,333	90,617	163,087	1,517,662
SFY_20	787,324	513,635	95,392	172,032	1,568,383

The Medicaid Expansion population for fiscal year 2017 was 453,852. The fiscal year 2016-2017 enrollment forecast from the 2016-2018 Medicaid budget request was 428,947.

Kentucky Medical Assistance Program (KMAP) Recipient Groups

Based on the eligibility changes in ACA, individuals who are eligible for KMAP benefits are classified into two groups: the Modified Adjusted Gross Income (MAGI) eligibility group and the non-MAGI eligibility group.

The **MAGI eligibility group** includes children and non-disabled adults under age 65. Specifically, this group includes children, pregnant women, caretaker relatives of children eligible for Medicaid, the adult Medicaid expansion eligibility group and former foster care children who are eligible for Medicaid up to age 26. Eligibility for each of these groups is based on the following income levels: pregnant women and infants under one year of age – 200% of the Federal Poverty Level (FPL); children from one to eighteen years of age: 147% FPL; and the adult Medicaid expansion eligibility group: 138% FPL. Former foster care children are eligible for Medicaid up to age 26 regardless of their income.

The **non-MAGI eligibility group includes** aged, blind and disabled individuals whose eligibility is associated with their health status and who are subject to resource requirements as well as income limits in establishing Medicaid eligibility.

Projecting Benefits Cost

Forecasting models were combined in the preparation of the Medicaid Benefits projections. Both the Office of State Budget Director (OSBD) and the Department for Medicaid Services (DMS) prepared cash forecasts to arrive at a consensus forecast. These forecasts examine past trends in categorical spending to generate projections for future cash expenditures, adjusting for policy changes. It should be noted that fewer members and services remain under fee-for-service due to the expansion of managed care which was implemented November 1, 2011. Using member eligibility information, historical monthly cash fee-for-service data was classified as either fee-for-service or managed care. Managed care costs were calculated based on the monthly member forecast and the negotiated rates with the

contracted managed care organizations. The managed care portion of the budget does not include individual categories of service; therefore, total projected costs for individual services cannot be determined.

Provider Taxes

Although the majority of the funds that the Commonwealth uses to match federal Medicaid dollars are derived from the General Fund, approximately 21 percent of the program's fiscal year 2019 and 20 percent of the program's fiscal year 2020 expenditure match will be secured from dedicated provider assessments. The assessments are levied on hospitals, home health agencies, Intermediate Care Facilities for Persons with Intellectual Disabilities, providers of alternative community services and long-term care facilities. The recommended budget assumes continuation of the current level of provider tax collections to maintain existing reimbursement levels for hospitals established in state fiscal year 2006.

Disproportionate Share Hospital (DSH) Payments

The budget includes funding for Disproportionate Share Hospital (DSH) payments equal to the maximum amount established by federal law. Disproportionate Share Hospital payments to state mental hospitals are budgeted in each year of the biennium. This budget includes funds transferred from the university teaching hospitals to be used as state matching funds for the portion of DSH funds received by those facilities.

Managed Care

The budget request assumes that Medicaid services are provided statewide by five (5) contracted Managed Care Organizations (MCOs): Anthem, Aetna (Coventry Cares), Humana CareSource, Passport, and Wellcare. Recipients in long term care facilities and waiver programs are excluded from managed care enrollment.

Benefit Match Rate

The budget request assumes a federal medical assistance percentage of 71.55 for state fiscal year 2018-2019 and 71.67 percent for fiscal year 2019-2020 for eligibility groups other than the ACA Medicaid expansion group for most budget items. The federal medical assistance percentage (FMAP) for the Medicaid expansion eligibility group authorized by the ACA drops from 95% in calendar year (CY) 2017 to 94% in CY 2018 (impacts six months of fiscal year 2017-2018). The ACA federal match drops again in CY 2019 to 93% (impacts six months of fiscal year 2018-2019) followed by a drop to 90% for CY 2020 (impacts six months of fiscal year 2019-2020) and beyond. The federal Medicaid match rate for KCHIP for SFYs 2018 and 2019 is calculated at 100 percent.

Kentucky Children's Health Insurance Program (KCHIP)

The Kentucky Children's Health Insurance program was initiated under Title XXI of the Social Security Act and currently serves eligible children up to 213 percent of the federal poverty level.

As under current law, the Legislative agreement proposed that CHIP be continued with the federal share to continue to be enhanced by 23 percentage points for two more years, in 2018 and 2019. This enhancement would be halved to 11.5 percentage points in 2020; and would be eliminated in 2021 and 2022. As a result, the federal match rate for KCHIP would be 100% in SFYs 2018-2019, decreasing to 93.8% in SFY 2020.

Health and Family Services
Behavioral Health, Developmental & Intellectual Disabilities

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	180,605,900	250,262,500	263,520,400	172,406,600	173,286,700
Budget Reduction-General Fund	-460,900				
Reorganization Adjustment	115,700				
Total General Fund	180,260,700	250,262,500	263,520,400	172,406,600	173,286,700
Tobacco Fund					
Tobacco Settlement - Phase I	891,400	891,400	891,400	1,500,800	1,487,700
Current Year Appropriation	2,244,900				
Continuing Approp-Tob Settlement	182,100				
Total Tobacco Fund	3,318,400	891,400	891,400	1,500,800	1,487,700
Restricted Funds					
Balance Forward	19,454,700	6,936,100	4,967,800	6,936,100	1,967,800
Current Receipts	196,278,000	203,457,500	200,335,000	203,457,500	200,335,000
Non-Revenue Receipts	910,100	1,157,100	1,157,100	1,157,100	1,157,100
Total Restricted Funds	216,642,800	211,550,700	206,459,900	211,550,700	203,459,900
Federal Fund					
Current Receipts	52,464,300	49,131,100	39,703,000	49,131,100	39,703,000
Total Federal Fund	52,464,300	49,131,100	39,703,000	49,131,100	39,703,000
TOTAL SOURCE OF FUNDS	452,686,200	511,835,700	510,574,700	434,589,200	417,937,300
EXPENDITURES BY CLASS					
Personnel Costs	114,810,600	123,484,400	125,165,800	121,446,700	122,299,400
Operating Expenses	17,416,000	16,461,300	16,474,600	16,964,500	16,977,600
Grants Loans Benefits	302,209,900	355,612,300	347,435,700	282,829,300	266,614,700
Debt Service	11,261,200	11,257,500	18,446,200	11,328,500	11,993,200
Capital Outlay	52,400	52,400	52,400	52,400	52,400
TOTAL EXPENDITURES	445,750,100	506,867,900	507,574,700	432,621,400	417,937,300
EXPENDITURES BY FUND SOURCE					
General Fund	180,260,700	250,262,500	263,520,400	172,406,600	173,286,700
Tobacco Fund	3,318,400	891,400	891,400	1,500,800	1,487,700
Restricted Funds	209,706,700	206,582,900	203,459,900	209,582,900	203,459,900
Federal Fund	52,464,300	49,131,100	39,703,000	49,131,100	39,703,000
TOTAL EXPENDITURES	445,750,100	506,867,900	507,574,700	432,621,400	417,937,300
EXPENDITURES BY UNIT					
Community Behavioral Health	114,646,400	117,969,600	108,643,000	108,578,500	99,174,100
Community Developmental and Intellectual Disabilities	25,457,600	27,630,600	27,736,300	24,777,800	24,794,800
General Support	27,311,500	66,649,200	66,764,800	25,608,900	25,650,600
Residential	278,334,600	294,618,500	304,430,600	273,656,200	268,317,800
TOTAL EXPENDITURES	445,750,100	506,867,900	507,574,700	432,621,400	417,937,300

The Department for Behavioral Health, Developmental and Intellectual Disabilities operates behavioral health, substance abuse, developmental and intellectual disabilities, and brain injury programs. Services are provided in the community and in state-owned, state-operated and contracted residential facilities. Approximately 900 inpatients are cared for daily in the facilities operated or contracted by the Cabinet, and several thousand more are treated as outpatients in the community setting by the 14 Regional Boards for Mental Health or Individuals with an Intellectual Disability established by KRS 210.

Health and Family Services
Behavioral Health, Developmental & Intellectual Disabilities
Community Behavioral Health

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	53,892,600	62,395,100	62,496,600	52,394,600	52,431,400
Budget Reduction-General Fund	-460,900				
Total General Fund	53,431,700	62,395,100	62,496,600	52,394,600	52,431,400
Tobacco Fund					
Tobacco Settlement - Phase I	891,400	891,400	891,400	1,500,800	1,487,700
Current Year Appropriation	2,244,900				
Continuing Approp-Tob Settlement	182,100				
Total Tobacco Fund	3,318,400	891,400	891,400	1,500,800	1,487,700
Restricted Funds					
Balance Forward	5,704,000	3,936,100	1,967,800	3,936,100	1,967,800
Current Receipts	6,794,900	6,580,500	6,581,000	6,580,500	6,581,000
Non-Revenue Receipts	1,459,300	1,473,300	1,473,300	1,473,300	1,473,300
Total Restricted Funds	13,958,200	11,989,900	10,022,100	11,989,900	10,022,100
Federal Fund					
Balance Forward	1,673,900				
Current Receipts	46,200,300	44,661,000	35,232,900	44,661,000	35,232,900
Total Federal Fund	47,874,200	44,661,000	35,232,900	44,661,000	35,232,900
TOTAL SOURCE OF FUNDS	118,582,500	119,937,400	108,643,000	110,546,300	99,174,100
EXPENDITURES BY CLASS					
Personnel Costs	4,397,900	4,840,100	4,886,900	4,598,500	4,580,600
Operating Expenses	392,700	408,200	412,700	422,200	426,700
Grants Loans Benefits	109,855,800	112,721,300	103,343,400	103,557,800	94,166,800
TOTAL EXPENDITURES	114,646,400	117,969,600	108,643,000	108,578,500	99,174,100
EXPENDITURES BY FUND SOURCE					
General Fund	53,431,700	62,395,100	62,496,600	52,394,600	52,431,400
Tobacco Fund	3,318,400	891,400	891,400	1,500,800	1,487,700
Restricted Funds	10,022,100	10,022,100	10,022,100	10,022,100	10,022,100
Federal Fund	47,874,200	44,661,000	35,232,900	44,661,000	35,232,900
TOTAL EXPENDITURES	114,646,400	117,969,600	108,643,000	108,578,500	99,174,100
EXPENDITURES BY UNIT					
Community Alcohol and Drug Services	54,788,300	52,920,200	44,903,900	53,429,500	45,372,800
Community Mental Health Services	59,858,100	65,049,400	63,739,100	55,149,000	53,801,300
TOTAL EXPENDITURES	114,646,400	117,969,600	108,643,000	108,578,500	99,174,100

Community Mental Health Services

The Community Mental Health Services program provides services and support to Kentuckians with mental health conditions in an effort to improve their ability to function in the community. The Department for Behavioral Health, Developmental and Intellectual Disabilities contracts with 14 Regional Community Mental Health Centers (CMHCs) and other local entities. In addition, the Community Mental Health Services program has targeted funds to the most vulnerable citizens with behavioral health conditions. These include:

- Adults with severe mental illness (KRS 210, KRS 202A),
- Children/youth with severe emotional disabilities (KRS 200.501 to KRS 200.509)
- Uninsured or underinsured individuals with behavioral health disorders.

In accordance with KRS 210.410, CMHCs must provide persons suffering from mental health conditions with specific services such as: consultation and educational services to help individuals, and their families, understand their illnesses and treatment options; community support programs to assist individuals with mental illness in developing skills that allow

them to live independently within the community; outpatient services; emergency services; and inpatient services, which are generally made available through referrals to crisis stabilization units or state or community hospitals.

State and federal funds are used to provide psychiatric screening and assessment services, case management services, psychotropic medications, housing, and vocational support services for adults with severe mental illness and children with severe emotional disabilities. Funds are also provided for unique services and supports designed to “wraparound” an adult or child who is at risk of psychiatric hospitalization or other out of home placement.

Funding is also used to support promotion of mental “wellness” and early intervention assessment and treatment services. Suicide prevention for youth, adults and older adults is an important focus of the Department as well as services to individuals, and their families, dealing with behavioral health issues related to or exasperated by military service.

Funding is used to support statewide needs assessment and planning, monitoring of services provided, training and technical assistance for providers and other community partners (child welfare, law enforcement, education), and procurement and administration of federal and other funds for the provision of effective, community-based services and supports. Integrated (physical and behavioral health) healthcare delivery is necessary for achieving optimal outcomes.

Community Alcohol and Drug Services

The Community Alcohol and Drug Services Program provides quality treatment, prevention, and education services to citizens suffering from, or at-risk of, substance use disorders (tobacco, alcohol and prescription or illegal drugs). Services are provided primarily through contracts with the CMHCs. Substance abuse prevention and treatment services are provided pursuant to KRS 222. The receipts from alcohol intoxication fines are received pursuant to KRS 431.100. Other statutes under which the program operates include: KRS 189A (Driving Under the Influence assessment, education, and treatment) and KRS 218A.410 (Drug Property subject to forfeiture).

Contracts with the CMHCs and their subcontractors, schools, local government agencies, and other community-based organizations provide services which include: community prevention programming (offered through 14 Regional Prevention Centers; juvenile diversion programs; DUI assessment, education, and treatment programs; Consultation with businesses on the development of a drug-free work place and employee assistance programs; Social setting detoxification centers, residential treatment for men, women and youth, outpatient treatment and intensive outpatient treatment, and case management services; and specialized treatment services for pregnant women, women with dependent children, adolescents, and intravenous drug users. In addition, opiate replacement therapy (medication) and corresponding counseling is available to opiate dependent persons who are at high risk for HIV/AIDS due to their intravenous drug use. Training, consultation and client evaluations are made available, within budget limitations, to criminal justice agencies and other agencies within the Cabinet for Health and Family Services for clients with substance use disorders.

During the past four years, CMHCs have been required to adjust to delivery system changes due to implementation of:

- Medicaid Managed Care
- Medicaid Expansion;
- The Patient Protection and Affordable Care Act (“PPACA”; Public Law 111–148);
- The Health Care and Education Reconciliation Act and the Mental Health Parity; and
- The Addiction Equity Act (MHPAEA).

Health and Family Services
Behavioral Health, Developmental & Intellectual Disabilities
Community Developmental and Intellectual Disabilities

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	18,303,700	20,476,700	20,582,400	17,607,900	17,624,900
Total General Fund	18,303,700	20,476,700	20,582,400	17,607,900	17,624,900
Restricted Funds					
Balance Forward	145,000				
Current Receipts	88,000			16,000	16,000
Non-Revenue Receipts	2,450,800	2,683,800	2,683,800	2,683,800	2,683,800
Total Restricted Funds	2,683,800	2,683,800	2,683,800	2,699,800	2,699,800
Federal Fund					
Balance Forward	-1,675,700				
Current Receipts	6,145,800	4,470,100	4,470,100	4,470,100	4,470,100
Total Federal Fund	4,470,100	4,470,100	4,470,100	4,470,100	4,470,100
TOTAL SOURCE OF FUNDS	25,457,600	27,630,600	27,736,300	24,777,800	24,794,800
EXPENDITURES BY CLASS					
Personnel Costs	3,915,100	4,612,500	4,718,200	4,554,600	4,610,400
Operating Expenses	794,000	794,000	794,000	815,400	815,400
Grants Loans Benefits	20,748,500	22,224,100	22,224,100	19,407,800	19,369,000
TOTAL EXPENDITURES	25,457,600	27,630,600	27,736,300	24,777,800	24,794,800
EXPENDITURES BY FUND SOURCE					
General Fund	18,303,700	20,476,700	20,582,400	17,607,900	17,624,900
Restricted Funds	2,683,800	2,683,800	2,683,800	2,699,800	2,699,800
Federal Fund	4,470,100	4,470,100	4,470,100	4,470,100	4,470,100
TOTAL EXPENDITURES	25,457,600	27,630,600	27,736,300	24,777,800	24,794,800
EXPENDITURES BY UNIT					
Local Developmental and Intellectual Disabilities	24,009,900	26,167,100	26,270,300	23,408,800	23,424,900
KY Developmental Disability Council	1,447,700	1,463,500	1,466,000	1,369,000	1,369,900
TOTAL EXPENDITURES	25,457,600	27,630,600	27,736,300	24,777,800	24,794,800

Community Developmental and Intellectual Disabilities is responsible for administration of the Supports for Community Living Medicaid waiver program for individuals with intellectual and developmental disabilities and for the oversight of community providers of both waiver and state General Fund service programs.

Developmental and Intellectual Disability Services provides support and services to individuals to help them be contributing members of their community. Services are provided through contracts with the 14 Regional Community Mental Health Centers and with for-profit and non-profit agencies which provide residential, vocational, community, respite, and a variety of other services that increase independence in the community. Some of the residential services include support to individuals within their own homes, family homes, group home living placements, apartment living supervision, community staffed residences, and assistance with other living arrangements. Participating providers must support people who choose their agencies to assist them to live in the community. It is the responsibility of the provider to ensure that people are safe, healthy, respected and valued; that they live in the community with effective, individualized assistance; and are contributing members of the community in which they live and work. Additionally, each of the 14 Regional Community Mental Health Centers have 24/7 crisis prevention and intervention support available to individuals, families and providers with the goal of enabling an individual to remain in his/her community and to prevent future crisis events.

The Kentucky Council on Developmental Disabilities is administratively attached to the Division of Developmental and Intellectual Disabilities. The Council is made up of 26 members (individuals with developmental disabilities and family/guardian/siblings) appointed by the Governor and state agency representatives as defined in (PL 106-402). The Council promotes systems change, capacity building and advocacy for individuals with developmental disabilities. The Council on Developmental Disabilities represents the interests of approximately 122,000 Kentuckians who have developmental disabilities. The Council funds time-limited demonstration projects and engages in outreach activities to assist individuals with developmental disabilities and their families.

Health and Family Services
Behavioral Health, Developmental & Intellectual Disabilities

General Support

SOURCE OF FUNDS	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
General Fund					
Regular Appropriation	27,195,800	66,649,200	66,764,800	25,608,900	25,650,600
Reorganization Adjustment	115,700				
Total General Fund	27,311,500	66,649,200	66,764,800	25,608,900	25,650,600
TOTAL SOURCE OF FUNDS	27,311,500	66,649,200	66,764,800	25,608,900	25,650,600
EXPENDITURES BY CLASS					
Personnel Costs	4,066,000	4,830,000	4,945,600	4,543,400	4,585,100
Operating Expenses	222,700	222,700	222,700	234,600	234,600
Grants Loans Benefits	23,022,800	61,596,500	61,596,500	20,830,900	20,830,900
TOTAL EXPENDITURES	27,311,500	66,649,200	66,764,800	25,608,900	25,650,600
EXPENDITURES BY FUND SOURCE					
General Fund	27,311,500	66,649,200	66,764,800	25,608,900	25,650,600
TOTAL EXPENDITURES	27,311,500	66,649,200	66,764,800	25,608,900	25,650,600

General Support includes the Commissioner's Office, the Division of Administration and Financial Management, the Division of Program Integrity and the Office of Autism. This unit's activities include policy and budget development, proactive program monitoring, standards development, Autism Spectrum Disorder support, Legislative monitoring and management decision-making for the overall direction of the Department. The Department contracts with the University of Kentucky for technical and information support services.

Health and Family Services
Behavioral Health, Developmental & Intellectual Disabilities

Residential

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	81,213,800	100,741,500	113,676,600	76,795,200	77,579,800
Total General Fund	81,213,800	100,741,500	113,676,600	76,795,200	77,579,800
Restricted Funds					
Balance Forward	13,605,700	3,000,000	3,000,000	3,000,000	
Current Receipts	189,395,100	196,877,000	193,754,000	196,861,000	193,738,000
Non-Revenue Receipts	-3,000,000	-3,000,000	-3,000,000	-3,000,000	-3,000,000
Total Restricted Funds	200,000,800	196,877,000	193,754,000	196,861,000	190,738,000
Federal Fund					
Balance Forward	1,800				
Current Receipts	118,200				
Total Federal Fund	120,000				
TOTAL SOURCE OF FUNDS	281,334,600	297,618,500	307,430,600	273,656,200	268,317,800
EXPENDITURES BY CLASS					
Personnel Costs	102,431,600	109,201,800	110,615,100	107,750,200	108,523,300
Operating Expenses	16,006,600	15,036,400	15,045,200	15,492,300	15,500,900
Grants Loans Benefits	148,582,800	159,070,400	160,271,700	139,032,800	132,248,000
Debt Service	11,261,200	11,257,500	18,446,200	11,328,500	11,993,200
Capital Outlay	52,400	52,400	52,400	52,400	52,400
TOTAL EXPENDITURES	278,334,600	294,618,500	304,430,600	273,656,200	268,317,800
EXPENDITURES BY FUND SOURCE					
General Fund	81,213,800	100,741,500	113,676,600	76,795,200	77,579,800
Restricted Funds	197,000,800	193,877,000	190,754,000	196,861,000	190,738,000
Federal Fund	120,000	0	0	0	
TOTAL EXPENDITURES	278,334,600	294,618,500	304,430,600	273,656,200	268,317,800

Residential Services provides inpatient care in the areas of psychiatric hospitalization, intermediate care for persons with developmental and intellectual disabilities, nursing facility care, and forensic psychiatry for approximately 900 individuals each day.

Inpatient psychiatric services are provided for adults through four psychiatric hospitals: Eastern State Hospital in Lexington with an average daily census (ADC) of 114; Central State Hospital in Louisville with an ADC of 63; and Western State Hospital in Hopkinsville with an ADC of 138. The ARH Psychiatric Facility located in Hazard, owned and operated by Appalachian Regional Healthcare, Inc., with an ADC of 51, provides acute inpatient psychiatric services through a contract with the Department. Eastern State Hospital is operated under a management contract with the University of Kentucky.

Glasgow Nursing Facility with an ADC of 73 and Western State Nursing Facility with an ADC of 100 provide quality care to adults with severe and persistent mental illness who require a skilled nursing facility's level of care. Eastern State Hospital Nursing Facility, with an ADC of 15, opened in FY 2015 and provides care to adults with acquired brain injury and geriatric long-term care.

Ten facilities provide intermediate care for individuals with developmental and intellectual disabilities who are unable to live unassisted in their communities: the Oakwood Community Center in Somerset with an ADC of 105, Outwood in Dawson Springs with an ADC of 34, Hazelwood in Louisville with an ADC of 75, Bingham Gardens located in Louisville with an ADC of 22, Del Maria in Fern Creek with an ADC of 8, the Meadows in Mount Washington with an ADC of 8, and Windsong in Crestwood with an ADC of 8. Residents are assisted in self-care skills and appropriate social behavior and are provided specialized services to promote their personal growth.

The Department has established three specialty clinics in support of individuals with developmental and intellectual disabilities living in the community, who may have transitioned from a facility placement. Moving from a facility placement to a community placement creates a gap in services that can negatively impact clients and jeopardize a successful placement. These clinics provide a vast array of specialized services including medical, dental and therapeutic services

on an outpatient basis, avoiding institutionalization. These three specialty clinics are located on the campuses of Bingham Gardens, Hazelwood Center, and Oakwood.

Forensic psychiatric services are provided at the Kentucky Correctional Psychiatric Center within the Luther Lockett Correctional Complex in LaGrange (97 licensed beds). Pretrial services are provided for persons with felony charges who are referred by district and circuit courts for evaluation of competency to stand trial. The correctional component may serve some post-convicted females in need of acute inpatient psychiatric treatment who are transferred from various institutions within the Department of Corrections.

Health and Family Services

Public Health

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	74,548,200	124,006,700	127,277,300	72,610,000	72,731,200
Budget Reduction-General Fund	-4,359,900				
Reorganization Adjustment	-134,200				
Total General Fund	70,054,100	124,006,700	127,277,300	72,610,000	72,731,200
Tobacco Fund					
Tobacco Settlement - Phase I	14,168,100	14,168,100	14,168,100	17,284,200	17,284,200
Current Year Appropriation	1,500,000				
Continuing Approp-Tob Settlement	8,848,700				
Total Tobacco Fund	24,516,800	14,168,100	14,168,100	17,284,200	17,284,200
Restricted Funds					
Balance Forward	26,687,300	16,702,100	8,604,200	16,702,100	8,706,400
Current Receipts	81,620,700	84,807,700	84,507,700	84,807,700	84,507,700
Non-Revenue Receipts	-5,925,000	-5,925,000	-5,925,000	-5,925,000	-5,925,000
Total Restricted Funds	102,383,000	95,584,800	87,186,900	95,584,800	87,289,100
Federal Fund					
Current Receipts	187,879,400	190,499,300	190,910,900	190,380,300	190,607,100
Total Federal Fund	187,879,400	190,499,300	190,910,900	190,380,300	190,607,100
TOTAL SOURCE OF FUNDS	384,833,300	424,258,900	419,543,200	375,859,300	367,911,600
EXPENDITURES BY CLASS					
Personnel Costs	68,913,000	80,434,500	81,466,600	77,339,800	77,904,800
Operating Expenses	12,523,700	12,946,000	12,946,400	12,084,200	11,976,200
Grants Loans Benefits	286,694,500	322,274,200	322,274,200	277,728,900	277,728,900
Debt Service			2,856,000		
TOTAL EXPENDITURES	368,131,200	415,654,700	419,543,200	367,152,900	367,609,900
EXPENDITURES BY FUND SOURCE					
General Fund	70,054,100	124,006,700	127,277,300	72,610,000	72,731,200
Tobacco Fund	24,516,800	14,168,100	14,168,100	17,284,200	17,284,200
Restricted Funds	85,680,900	86,980,600	87,186,900	86,878,400	86,987,400
Federal Fund	187,879,400	190,499,300	190,910,900	190,380,300	190,607,100
TOTAL EXPENDITURES	368,131,200	415,654,700	419,543,200	367,152,900	367,609,900
EXPENDITURES BY UNIT					
General Health Support	39,818,200	83,847,900	86,512,400	37,920,700	37,675,200
Women's Health	10,061,300	9,979,900	10,001,900	9,912,400	9,923,600
Prevention and Quality Improvement	11,415,500	13,008,800	13,063,200	15,062,100	15,037,900
Epidemiology and Health Planning	55,109,500	61,650,800	62,334,500	58,998,700	59,485,400
Maternal and Child Health	225,602,700	218,511,500	218,690,500	218,428,900	218,519,800
Laboratory Services	10,416,800	11,459,700	11,563,500	10,703,000	10,756,600
Public Health Protection and Safety	15,707,200	17,196,100	17,377,200	16,127,100	16,211,400
TOTAL EXPENDITURES	368,131,200	415,654,700	419,543,200	367,152,900	367,609,900

The Department for Public Health's (DPH) mission is to improve the health and safety of all people in Kentucky through Prevention, Promotion and Protection. DPH is responsible for carrying out the core public health functions of: 1) assessment of health status and programs; 2) science-based health policy development; and, 3) assurance of health services, codes and programs to meet the needs of Kentuckians. Pursuant to KRS 211.025 and 211.180, DPH and its seven divisions carries-out and enforces public health laws and regulations, assists local boards of health and health departments, and acts to protect and improve health. It does so by formulating, promoting, establishing, and executing policies, plans, and programs "relating to all matters of public health", partnering with 61 local health departments (LHDs) covering 120 counties as well as other local, state and federal agencies.

The department's focus is improving the health status of the population. Due in part to public health efforts, fewer Kentuckians smoke, a greater number of colon cancers are prevented, teen pregnancy rates are down, and deaths from cardiovascular disease are decreasing.

The department strives to protect and improve the health and quality of life of each of over 4.4 million Kentuckians every day by administering approximately 150 distinct programs and services, which are as varied as immunizations, newborn screening, women's cancer prevention, radon control and the regulation of tattoo parlors. A sizable part of the state's economy is regulated by the actions of the department including the operation of food retail services, food manufacturing, radiation health services, hotels and pools. In fiscal years 2016 and 2017, the public health system in Kentucky provided clinical services to an average of about 450,000 unduplicated patients each year. Many public health services are unavailable from any other source or are unattainable from another source at low or no cost.

The department relies on LHDs to carry out many public health activities required by statute, regulation, or participation in federal grant awards. Federal monies support over half of the department's yearly budget. The majority of these awards are allocated to the community level for the performance of services. LHDs may also choose to perform enhanced services based on community health needs and for which the availability of funding allows.

The department consists of seven divisions: Administration and Financial Management to include the Commissioner's Office, Women's Health, Prevention and Quality Improvement, Epidemiology and Health Planning, Maternal and Child Health, Laboratory Services, and Public Health Protection and Safety.

A healthy population can help create a more robust workforce and contribute to driving down societal costs for healthcare. Kentucky's public health system, which touches numerous lives daily with its wide array of programs and messages, is critical to protecting and improving the state's health through its myriad programs and services many of which are performed only by public health agencies.

**Health and Family Services
Public Health
General Health Support**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	35,233,600	80,480,900	83,445,400	34,553,700	34,608,200
Budget Reduction-General Fund	-82,000				
Reorganization Adjustment	-134,200				
Total General Fund	35,017,400	80,480,900	83,445,400	34,553,700	34,608,200
Restricted Funds					
Balance Forward	1,224,800				
Current Receipts	8,576,000	8,367,000	8,067,000	8,367,000	8,067,000
Non-Revenue Receipts	-5,000,000	-5,000,000	-5,000,000	-5,000,000	-5,000,000
Total Restricted Funds	4,800,800	3,367,000	3,067,000	3,367,000	3,067,000
TOTAL SOURCE OF FUNDS	39,818,200	83,847,900	86,512,400	37,920,700	37,675,200
EXPENDITURES BY CLASS					
Personnel Costs	7,784,500	8,561,200	8,669,300	8,266,500	8,327,200
Operating Expenses	98,800	102,700	103,100	108,400	102,200
Grants Loans Benefits	31,934,900	75,184,000	74,884,000	29,545,800	29,245,800
Debt Service			2,856,000		
TOTAL EXPENDITURES	39,818,200	83,847,900	86,512,400	37,920,700	37,675,200
EXPENDITURES BY FUND SOURCE					
General Fund	35,017,400	80,480,900	83,445,400	34,553,700	34,608,200
Restricted Funds	4,800,800	3,367,000	3,067,000	3,367,000	3,067,000
TOTAL EXPENDITURES	39,818,200	83,847,900	86,512,400	37,920,700	37,675,200

The General Health Support Program includes two organizational units: the Commissioner and Administration and Financial Management.

The Commissioner is responsible for the leadership, management, oversight, and policy direction of the Department for Public Health. The Commissioner advises the heads of major agencies in state government on policies, plans, and programs relating to matters of public health. This includes actions necessary to respond to extraordinary events in order to safeguard the health of the citizens of the Commonwealth. The Commissioner serves as the State Health Officer for the Commonwealth. The Commissioner's role includes the coordination of public health emergency response capabilities with federal and other state agencies and involvement in the statewide management of anti-terrorist (nuclear, biologic, chemical) activities. The Commissioner provides leadership in transforming the role of public health in Kentucky to new models as more of the uninsured citizens have opportunities for healthcare coverage under the new insurance marketplace and expanded Medicaid coverage.

The Chief Nursing Officer for Public Health, located in the Commissioner's Office, provides nurse administration consultation and technical assistance to the Commissioner, executive staff, and state and local health departments including approximately 900 nurses and APRNs who practice in local health departments across the state. This guidance includes nursing scope of practice issues, the development and implementation of clinical protocols, nursing education and clinical competencies as well as public health nursing workforce development initiatives.

The Center for Health Equity was established in September 2008 and functionally operates through the Commissioner's Office. The Center seeks to eliminate health disparities in the state of Kentucky specifically those social, cultural, and environmental factors that contribute to adverse health outcomes. The Office serves in an advisory capacity to all divisions across the Department of Public Health.

Administration and Financial Management provides resource support to the Department for Public Health including approximately 400+ department-level personnel. It provides budget and accounting support, payments, grant allocation, fee collection, procurement, and contracting support, as well as oversight of local health departments' fiscal planning and administrative management functions. The Department's biennial budget is developed by Administration and

Financial Management. It works in concert with the other health services programs in the Department to plan, program, execute, manage, and report the financial activities of the Department and local health departments. Administration and Financial Management also plays a vital role in providing effective and efficient training that enhances workforce abilities of the department, local health departments, public health preparedness, and other public health system partners.

The program is also responsible for providing guidance on the day-to-day operation of the 61 local health jurisdictions across the state and has the responsibilities for personnel management of nearly 2,600 local health personnel; medical records and forms management, reporting of clinical and community-based services, policy interpretation, and the Local Board of Health nomination process. Training on medical coding and billing practices, local health personnel procedures, and financial operations is also provided by program staff.

Health and Family Services

Public Health

Women's Health

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	266,600	312,000	319,200	240,800	243,000
Total General Fund	266,600	312,000	319,200	240,800	243,000
Tobacco Fund					
Tobacco Settlement - Phase I	80,000	80,000	80,000	80,000	80,000
Continuing Approp-Tob Settlement	222,000				
Total Tobacco Fund	302,000	80,000	80,000	80,000	80,000
Restricted Funds					
Balance Forward	8,400				
Current Receipts	340,700	349,100	349,100	349,100	349,100
Total Restricted Funds	349,100	349,100	349,100	349,100	349,100
Federal Fund					
Balance Forward	53,600				
Current Receipts	9,090,000	9,238,800	9,253,600	9,242,500	9,251,500
Total Federal Fund	9,143,600	9,238,800	9,253,600	9,242,500	9,251,500
TOTAL SOURCE OF FUNDS	10,061,300	9,979,900	10,001,900	9,912,400	9,923,600
EXPENDITURES BY CLASS					
Personnel Costs	1,889,900	2,035,800	2,057,800	1,991,200	2,003,200
Operating Expenses	350,200	350,200	350,200	347,400	346,600
Grants Loans Benefits	7,821,200	7,593,900	7,593,900	7,573,800	7,573,800
TOTAL EXPENDITURES	10,061,300	9,979,900	10,001,900	9,912,400	9,923,600
EXPENDITURES BY FUND SOURCE					
General Fund	266,600	312,000	319,200	240,800	243,000
Tobacco Fund	302,000	80,000	80,000	80,000	80,000
Restricted Funds	349,100	349,100	349,100	349,100	349,100
Federal Fund	9,143,600	9,238,800	9,253,600	9,242,500	9,251,500
TOTAL EXPENDITURES	10,061,300	9,979,900	10,001,900	9,912,400	9,923,600

The Division of Women's Health (DWH), in partnership with key stakeholders, provides leadership to improve the physical and socio-emotional health, safety, and well-being of Kentucky's women, including those with low incomes, diverse ethnic or racial backgrounds and isolated populations with limited access to care. The Division also represents Kentucky for the federal Health Resources Service Administration (HRSA) Office of Women's Health. The DWH includes the following programs:

The Kentucky Women's Cancer Screening Program (KWCSPP) provides breast and cervical cancer screenings and diagnostic case management and treatment referral services to reduce cancer morbidity and mortality among Kentucky's medically underserved, low income, and uninsured women. The Kentucky Women's Cancer Screening program is funded by a federal grant from the Centers for Disease Control and Prevention (CDC). The CDC grant requires the program: to provide appropriate referrals for medical treatment; to assure appropriate follow-up services and case management; to develop and disseminate public information and education programs for the detection and control of breast and cervical cancers; to improve the education, training, and skills of health professionals; to monitor the quality of screening procedures for breast and cervical cancers; and to evaluate activities through appropriate surveillance.

The Breast Cancer Research and Education Trust Fund program, created in 2005, is funded by revenue collected from the breast cancer license plates purchases and the State Income tax form optional checkbox. Funds collected through these methods are distributed to community-based affiliates through an annual Request for Proposal process. Projects awarded support breast cancer research, education, treatment, screening, and awareness in Kentucky.

The Folic Acid Counseling and Supplementation program services are provided in all 61 local health departments (LHDs) and sub-delegate sites. Research has shown that when women consume adequate folic acid, the incidence of neural tube defects such as spina bifida can be decreased by as much as 70%. The Folic Acid program is funded by Tobacco

Settlement funds.

The Title X Family Planning program provides individuals with the information and means to exercise personal decisions to determine the number and spacing of their children. Title X family planning clinics play a critical role in assuring access to voluntary, confidential family planning services for low-income or uninsured families. Charges to participants are at no cost or at a reduced cost based on their household income. Family Planning services are offered in LHDs and clinics targeting special populations (e.g. males, Hispanics, and adolescents). Title X supported clinics also provide a number of preventive health services such as: patient education and counseling, breast and pelvic examinations, cervical cancer screenings, sexually transmitted diseases, and human immunodeficiency virus (HIV) screenings, preconception counseling, and pregnancy diagnosis. The Title X Family Planning program is funded through the federal Office of Population Affairs, Health and Human Services agency.

The Abstinence Education Grant Program provides abstinence education to middle school students (fifth through eighth grade) to encourage students to choose abstaining from sexual activity as the best choice to achieve optimal health and well-being. This program provides students with knowledge about the physical and emotional benefits of abstaining from sexual activity until adulthood and equips them with refusal skills and decision-making skills to accomplish this goal.

The Personal Responsibility Education Program provides ready-for-adulthood education to teenagers age 13-18 in middle and high school. Two programs are utilized to provide age-appropriate, abstinence-based, comprehensive sexuality education and other positive youth development subjects. One program is delivered in the classroom setting for 5-10 days and the other program is an after-school program delivered throughout the school year. Curriculum delivered in the classroom includes sexual health subjects and information on healthy relationships, self-esteem, goal setting and decision making skills. Additionally, the afterschool curriculum includes lessons on values and community and 20 hours of community-service learning each year.

**Health and Family Services
Public Health
Prevention and Quality Improvement**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,803,600	7,252,200	7,282,000	6,811,500	6,773,700
Budget Reduction-General Fund	-988,100				
Total General Fund	5,815,500	7,252,200	7,282,000	6,811,500	6,773,700
Tobacco Fund					
Tobacco Settlement - Phase I				2,500,000	2,500,000
Total Tobacco Fund				2,500,000	2,500,000
Restricted Funds					
Current Receipts	300,000	300,000	300,000	300,000	300,000
Total Restricted Funds	300,000	300,000	300,000	300,000	300,000
Federal Fund					
Balance Forward	-62,200				
Current Receipts	5,362,200	5,456,600	5,481,200	5,450,600	5,464,200
Total Federal Fund	5,300,000	5,456,600	5,481,200	5,450,600	5,464,200
TOTAL SOURCE OF FUNDS	11,415,500	13,008,800	13,063,200	15,062,100	15,037,900
EXPENDITURES BY CLASS					
Personnel Costs	1,823,600	2,281,500	2,335,900	2,206,100	2,236,100
Operating Expenses	480,700	480,700	480,700	627,900	573,700
Grants Loans Benefits	9,111,200	10,246,600	10,246,600	12,228,100	12,228,100
TOTAL EXPENDITURES	11,415,500	13,008,800	13,063,200	15,062,100	15,037,900
EXPENDITURES BY FUND SOURCE					
General Fund	5,815,500	7,252,200	7,282,000	6,811,500	6,773,700
Tobacco Fund				2,500,000	2,500,000
Restricted Funds	300,000	300,000	300,000	300,000	300,000
Federal Fund	5,300,000	5,456,600	5,481,200	5,450,600	5,464,200
TOTAL EXPENDITURES	11,415,500	13,008,800	13,063,200	15,062,100	15,037,900

The Prevention and Quality Improvement Program is comprised of two subprograms: Chronic Disease Prevention and Health Care Access.

The mission of the Prevention and Quality Improvement (PQI) program is to deliver programs and services, including chronic disease management, clinical and community education/promotion, quality improvement, health access for low income Kentuckians, and health risk behavior data analysis in order to promote healthy behaviors by Kentuckians. The program's activities cover the spectrum of population-based and personal preventive health services, delivered through a wide range of health care providers and related groups.

The PQI program provides leadership and partners with key stakeholders in order to improve care and services to the public comprised of low incomes, diverse ethnicity and racial backgrounds, and isolated populations with limited access to care. Program staff support clinical and community based services and infrastructure building through policy development and implementation, surveillance activities, case management, and technical assistance.

The PQI program identifies best practices to reduce the risks of poor health and sets standards to focus more on positive outcomes. This is accomplished through community-based health education programs, clinical care programs for adults primarily of a preventive nature, awareness and education, and promotion of an adequate network of primary care providers throughout the Commonwealth especially in the underserved areas of the state.

The PQI program is responsible for the Kentucky Prescription Assistance Program (KPAP) and the Kentucky Colon Cancer Screening Program (KCCSP).

Chronic Disease Prevention and Control subprogram is responsible for decreasing the morbidity and mortality from chronic diseases, with emphasis on prevention and risk factors that can be reduced through healthy lifestyles. Prevention programs include asthma, arthritis and osteoporosis, comprehensive cancer, colon cancer, chronic obstructive pulmonary

disease, diabetes, heart disease and stroke, and worksite wellness. The sub program provides funding to local health departments for community-based services aimed at individuals and at bringing about policy and environmental changes that will improve the health status of Kentuckians. This branch also manages the Kentucky Colon Cancer Screening Program (KCCSP).

The Health Care Access subprogram provides a departmental focus on primary care and administers federal grants and programs relative to primary care. Through these programs, approximately 150 additional physicians are serving Kentucky's medically underserved population. The Program is responsible for determining areas of Kentucky that meet Health Professional Shortage Area and Medically Underserved Area criteria. This subprogram is also responsible for the Charitable Health Program, the National Health Service Corps Program, Kentucky Physician Care Program, J-1 VISA Program, and the Kentucky Prescription Assistance Program (KPAP) and the Kentucky Spinal Cord and Head Injury Research Board.

Policy

The Executive Budget provides Phase I Tobacco Settlement Funds in the amount of \$2,500,000 in each fiscal year for Pediatric Cancer Research.

**Health and Family Services
Public Health
Epidemiology and Health Planning**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,405,100	5,733,700	5,783,900	3,215,300	3,221,100
Budget Reduction-General Fund	-704,200				
Total General Fund	2,700,900	5,733,700	5,783,900	3,215,300	3,221,100
Restricted Funds					
Balance Forward	14,848,100	9,077,300	4,734,500	9,077,300	4,773,600
Current Receipts	15,607,500	18,995,200	18,995,200	18,995,200	18,995,200
Non-Revenue Receipts	-325,000	-325,000	-325,000	-325,000	-325,000
Total Restricted Funds	30,130,600	27,747,500	23,404,700	27,747,500	23,443,800
Federal Fund					
Balance Forward	-1,821,100				
Current Receipts	33,176,400	32,904,100	33,145,900	32,809,500	32,941,500
Total Federal Fund	31,355,300	32,904,100	33,145,900	32,809,500	32,941,500
TOTAL SOURCE OF FUNDS	64,186,800	66,385,300	62,334,500	63,772,300	59,606,400
EXPENDITURES BY CLASS					
Personnel Costs	33,299,300	37,859,700	38,243,400	36,580,000	36,788,100
Operating Expenses	4,404,800	4,865,500	4,865,500	4,360,000	4,338,600
Grants Loans Benefits	17,405,400	18,925,600	19,225,600	18,058,700	18,358,700
TOTAL EXPENDITURES	55,109,500	61,650,800	62,334,500	58,998,700	59,485,400
EXPENDITURES BY FUND SOURCE					
General Fund	2,700,900	5,733,700	5,783,900	3,215,300	3,221,100
Restricted Funds	21,053,300	23,013,000	23,404,700	22,973,900	23,322,800
Federal Fund	31,355,300	32,904,100	33,145,900	32,809,500	32,941,500
TOTAL EXPENDITURES	55,109,500	61,650,800	62,334,500	58,998,700	59,485,400

The mission of the Division of Epidemiology and Health Planning is to provide quality epidemiological and vital records services, public health planning and preparedness services, and reportable disease prevention and control services in order to promote, protect, and plan for the health and safety of Kentuckians. The division has responsibility for much of the three D's in public health: "Health Data, Acute Disease Prevention and Control, and Disaster Preparedness."

To accomplish these responsibilities, the Division conducts activities in four areas:

- The Infectious Disease Branch, which includes disease surveillance, prevention, and control activities related to vaccine-preventable diseases, sexually transmitted diseases, tuberculosis, adult viral hepatitis, healthcare associated infections, and other reportable diseases,
- The HIV/AIDS Branch, which includes prevention activities, client services, and surveillance for HIV/AIDS,
- The Office of Vital Statistics, which collects and preserves mandatory records of vital events including births, deaths, marriages, and divorces, and
- The Public Health Preparedness Branch, which includes the development, implementation, and exercising of statewide emergency preparedness plans for both terrorist (nuclear, biologic, chemical) threats as well as naturally occurring disease outbreaks.

The Immunization Program provides financial support and vaccines to local health departments (LHDs) and other providers for the provision of over one million immunizations each year to about 550,000 persons. Immunization rates are tracked in schools, day care, LHD clinics, and the general child population.

The Sexually Transmitted Disease (STD) Program is designed to reduce the occurrence and prevent the transmission and debilitating complications of sexually transmitted diseases. The STD Program provides educational materials, staff training, program planning and evaluation services, technical consultation, and selected antibiotics to all LHDs and other selected health care providers. The Tuberculosis (TB) Control program aims to reduce the number of cases and deaths due to TB by preventing non-infected individuals from becoming infected, keeping those infected without disease from progressing to disease, and by attempting to maintain infected individuals with disease as non-infectious.

The Adult Viral Hepatitis Prevention Program is a federally funded program that focuses on the prevention of viral hepatitis in adults caused by hepatitis A, hepatitis B, and hepatitis C viruses.

The Healthcare Associated Infection (HAI) Program establishes an infrastructure within the Kentucky Department for Public Health to develop statewide activities focused on the prevention of HAIs within healthcare facilities.

The Reportable Disease Program is responsible for case confirmation, oversight of disease investigations, and surveillance for reportable diseases such as meningitis, hepatitis, diarrheal diseases, foodborne illnesses, and vector-borne diseases.

The HIV/AIDS Branch seeks to identify and track cases of HIV and AIDS, prevent the disease by raising awareness and promoting risk reduction behaviors, and connect HIV-positive clients to care. The HIV Prevention Program focuses on testing, awareness of one's status, and strategic intervention activities to reduce HIV transmission for at-risk populations. The HIV/AIDS Services program assists HIV-positive clients with case management, in addition to providing life-saving medications and insurance continuation for qualified clients, as a payor of last resort.

The Office of Vital Statistics is responsible for the registration, certification, and issuance of vital records (birth, death, marriage, and divorce certificates) in Kentucky. The program's primary responsibility is the maintenance and security of these vital records as well as responding to specific requests for vital statistics data.

The Public Health Preparedness Program has the responsibility of developing, coordinating, and overseeing the public health response to potential disaster events. It prepares the Commonwealth for disease outbreaks and other public health threats by integrating local public health assets, upgrading the State Laboratory to the capacity required by the Centers for Disease Control and Prevention, and providing hospitals and healthcare facilities across the state with funding to ensure preparedness for events attributable to disasters.

**Health and Family Services
Public Health
Maternal and Child Health**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	20,608,500	20,985,100	21,044,900	20,322,200	20,348,200
Budget Reduction-General Fund	-1,860,200				
Total General Fund	18,748,300	20,985,100	21,044,900	20,322,200	20,348,200
Tobacco Fund					
Tobacco Settlement - Phase I	14,088,100	14,088,100	14,088,100	14,704,200	14,704,200
Current Year Appropriation	1,500,000				
Continuing Approp-Tob Settlement	8,626,700				
Total Tobacco Fund	24,214,800	14,088,100	14,088,100	14,704,200	14,704,200
Restricted Funds					
Balance Forward	6,396,500	4,358,100	2,185,900	4,358,100	2,192,800
Current Receipts	41,546,500	41,546,500	41,546,500	41,546,500	41,546,500
Non-Revenue Receipts	570,000	570,000	570,000	570,000	570,000
Total Restricted Funds	48,513,000	46,474,600	44,302,400	46,474,600	44,309,300
Federal Fund					
Balance Forward	1,611,500				
Current Receipts	136,873,200	139,149,600	139,255,100	139,120,700	139,178,400
Total Federal Fund	138,484,700	139,149,600	139,255,100	139,120,700	139,178,400
TOTAL SOURCE OF FUNDS	229,960,800	220,697,400	218,690,500	220,621,700	218,540,100
EXPENDITURES BY CLASS					
Personnel Costs	11,971,500	14,982,800	15,161,800	14,841,900	14,940,300
Operating Expenses	1,094,700	1,089,800	1,089,800	1,107,600	1,100,100
Grants Loans Benefits	212,536,500	202,438,900	202,438,900	202,479,400	202,479,400
TOTAL EXPENDITURES	225,602,700	218,511,500	218,690,500	218,428,900	218,519,800
EXPENDITURES BY FUND SOURCE					
General Fund	18,748,300	20,985,100	21,044,900	20,322,200	20,348,200
Tobacco Fund	24,214,800	14,088,100	14,088,100	14,704,200	14,704,200
Restricted Funds	44,154,900	44,288,700	44,302,400	44,281,800	44,289,000
Federal Fund	138,484,700	139,149,600	139,255,100	139,120,700	139,178,400
TOTAL EXPENDITURES	225,602,700	218,511,500	218,690,500	218,428,900	218,519,800

The Maternal and Child Health (MCH) Program promotes and safeguards the health of all Kentuckians, with an emphasis on at-risk mothers, infants and children. The program goal is to help those at risk achieve the highest level of health and wellness possible through public health surveillance, education, nutrition, perinatal care, early childhood promotion and intervention, well-child care, oral health, injury prevention, coordinated school health, tobacco prevention and control, obesity prevention, and healthy communities, and selected primary and preventive care activities. The MCH Program is responsible for public health surveillance systems including the Neonatal Abstinence Reporting, Pregnancy Risk Assessment Monitoring System, the Sudden Unexpected Infant Death Registry, and Zika Birth Defects Surveillance.

The MCH Division is responsible for carrying out services under the following federal and state laws and regulations:

Title V of the Social Security Act, Section 501.516(a).8, and (10) Federal Omnibus Budget Reconciliation Act 1981, Public Law 97-35; Public Law 90-248.

Title V of the Social Security Act, 42 USC, Section 705(a)(5)(F)(iv) Rules for Early Periodic Screening, Diagnostic, and Treatment Services Linkages

KRS 156.501: Provide half of the cost toward a Kentucky Department of Education School Nurse Consultant

KRS 199.894: Technical assistance for childcare providers through the Healthy Start in Child Care Program

KRS 211.180 "...the protection and improvement of the health of expectant mothers, infants, preschool, and school age children." The MCH Division provides oversight to the services and activities that focus on these populations,

KRS 211.180: Well Child and Adolescent Health Services
KRS 211.900-211.905, 211.994, and KRS 211.180: Statewide program for prevention, screening, diagnosis and treatment of childhood lead poisoning
KRS 211.190, KRS 214.160, KRS 213.161, and 902 KAR4:100: Prenatal/Maternity Services
KRS 211.651: Kentucky Birth Surveillance Registry (obtains data on children with birth defects)
KRS 211:674: Perinatal Advisory Committee
KRS 211.676: Neonatal Abstinence Syndrome established as a Public Health Reportable disease
KRS 211.684: Child Fatality Review Process and teams established
KRS 158.854,194A, 902 KAR 18, WIC Program, under the Federal Child Nutrition Act of 1966, 42 USC 1786, federal regulations 7 CFR Part 246.
KRS 214:155: Newborn Metabolic Screening, Metabolic Foods and Formula; related, 902 KAR 4:035: Cost Reimbursements for Uninsured for metabolic foods and formula
KRS 211.690: Defines Health Access Nurturing Development Services, HANDS, as a voluntary statewide home visitation program for the purpose of providing assistance to overburdened parents. 902 KAR 4:120 details components of the program.
KRS 200.652: Authorizes the Part C Early Intervention Program (First Steps) for families of an infant or toddler with a developmental disability.
902 KAR 115:010: Water fluoridation for the protection of dental health
902 KAR 115:020: Enforcement of Water fluoride program

The Early Childhood Development subprogram is required, by statute, to provide early childhood initiatives such as home visitation (Health Access Nurturing Development Services or HANDS), childcare health consultation, early childhood mental health services for children, Kentucky Strengthening Families, and Help Me Grow. The Early Childhood Development subprogram also identifies children in Kentucky who are at-risk for serious medical conditions and developmental delays through the Newborn Metabolic Screening and Case Management program and Kentucky Birth Surveillance Registry, both of which are also in statute.

The Kentucky Early Intervention System (KEIS) subprogram, also referred to as First Steps, provides case management and coordination of services for infants and toddlers between birth and three years of age with developmental disabilities or developmental delays. These early intervention services include services such as physical therapy, occupational therapy, speech therapy, hearing and vision services, and other services as needed to meet the child's developmental needs. First Steps services are provided in the home or other community settings, unless it is not feasible to do so, and are subject to a sliding fee scale unless the family has documented an inability to pay. Families and other interested parties access the First Steps program locally through 15 Points of Entry covering the state. Children served by First Steps transition at age three to the local education agency or other community supports.

The Child and Family Health Improvement subprogram provides oversight to services and activities including: prenatal care; child and adolescent preventive health; childhood lead poisoning prevention; child fatality review and injury prevention; oral health; and coordinated school health. This sub-program also houses our infant mortality efforts, including the Safe Sleep campaign.

The Nutrition Services subprogram administers the Special Supplemental Nutrition Program for Women, Infants and Children (WIC); Clinical Nutrition Services, Breastfeeding Peer Counselor Program; and the WIC Farmer's Market Nutrition Program. The Women, Infants and Children program is funded wholly by the US Department of Agriculture and provides food packages and nutrition education to low-income pregnant and post partum women, infants and children at nutritional risk, and sets standards for nutrition services. Nutritionists in local health departments provide medical nutrition therapy and follow-up nutrition care for mothers and children with special nutrition needs.

The Health Promotion subprogram administers programs that focus on behavioral risk factors to promote lifestyle changes for developing a healthy community. The subprogram provides services in the areas of Tobacco Cessation and Control, Tobacco Quitline, Obesity Prevention, and Healthy Communities Projects.

Health and Family Services

Public Health

Laboratory Services

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,039,000	4,450,300	4,515,500	3,712,700	3,746,100
Budget Reduction-General Fund	-388,700				
Total General Fund	3,650,300	4,450,300	4,515,500	3,712,700	3,746,100
Restricted Funds					
Balance Forward	2,391,600	1,758,400	897,300	1,758,400	915,200
Current Receipts	6,703,300	6,703,200	6,703,200	6,703,200	6,703,200
Non-Revenue Receipts	-1,170,000	-1,170,000	-1,170,000	-1,170,000	-1,170,000
Total Restricted Funds	7,924,900	7,291,600	6,430,500	7,291,600	6,448,400
Federal Fund					
Balance Forward	-5,200				
Current Receipts	605,200	615,100	617,500	613,900	615,100
Total Federal Fund	600,000	615,100	617,500	613,900	615,100
TOTAL SOURCE OF FUNDS	12,175,200	12,357,000	11,563,500	11,618,200	10,809,600
EXPENDITURES BY CLASS					
Personnel Costs	5,414,300	6,468,100	6,571,900	6,124,200	6,180,700
Operating Expenses	5,002,500	4,991,600	4,991,600	4,578,800	4,575,900
TOTAL EXPENDITURES	10,416,800	11,459,700	11,563,500	10,703,000	10,756,600
EXPENDITURES BY FUND SOURCE					
General Fund	3,650,300	4,450,300	4,515,500	3,712,700	3,746,100
Restricted Funds	6,166,500	6,394,300	6,430,500	6,376,400	6,395,400
Federal Fund	600,000	615,100	617,500	613,900	615,100
TOTAL EXPENDITURES	10,416,800	11,459,700	11,563,500	10,703,000	10,756,600

Laboratory Services provides chemical, biological, and molecular testing to address a variety of public health concerns that require very sophisticated and accurate laboratory analysis. The scope of these concerns spans from global preparedness and environmental to clinical and epidemiological.

Protection of the state and nation's health is supported through disease surveillance activities that use sophisticated equipment and result in early detection of outbreaks caused by emerging infectious diseases, which is essential for guiding epidemiologic investigations that determine the measures needed to prevent and control the spread of disease.

Laboratory Services is responsible for the prompt detection and identification of a wide variety of microorganisms, such as bacteria and viruses, and toxic chemical substances that pose a threat to the public's health. It provides examinations of clinical and environmental specimens to support other state and local health department programs and diagnostic testing not readily available elsewhere for hospitals and practicing physicians. Additionally, it tests environmental samples for water fluoride levels; examines milk, food, and water for evidence of biologic and/or chemical contamination; and performs complex analyses for the detection of pesticides and other environmental and/or workplace chemicals. It is also responsible for the prompt detection of a variety of heritable conditions in newborns.

The state General Fund is the primary funding source. Federal funds are received from grants and a cooperative agreement with Occupational Safety and Health Administration and agency fees are collected for newborn metabolic screening.

The state public health laboratory is certified by the College of American Pathologists as a high-complexity laboratory, obligating it to meet the most stringent of requirements.

**Health and Family Services
Public Health**

Public Health Protection and Safety

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,191,800	4,792,500	4,886,400	3,753,800	3,790,900
Budget Reduction-General Fund	-336,700				
Total General Fund	3,855,100	4,792,500	4,886,400	3,753,800	3,790,900
Restricted Funds					
Balance Forward	1,817,900	1,508,300	786,500	1,508,300	824,800
Current Receipts	8,546,700	8,546,700	8,546,700	8,546,700	8,546,700
Total Restricted Funds	10,364,600	10,055,000	9,333,200	10,055,000	9,371,500
Federal Fund					
Balance Forward	223,400				
Current Receipts	2,772,400	3,135,100	3,157,600	3,143,100	3,156,400
Total Federal Fund	2,995,800	3,135,100	3,157,600	3,143,100	3,156,400
TOTAL SOURCE OF FUNDS	17,215,500	17,982,600	17,377,200	16,951,900	16,318,800
EXPENDITURES BY CLASS					
Personnel Costs	6,729,900	8,245,400	8,426,500	7,329,900	7,429,200
Operating Expenses	1,092,000	1,065,500	1,065,500	954,100	939,100
Grants Loans Benefits	7,885,300	7,885,200	7,885,200	7,843,100	7,843,100
TOTAL EXPENDITURES	15,707,200	17,196,100	17,377,200	16,127,100	16,211,400
EXPENDITURES BY FUND SOURCE					
General Fund	3,855,100	4,792,500	4,886,400	3,753,800	3,790,900
Restricted Funds	8,856,300	9,268,500	9,333,200	9,230,200	9,264,100
Federal Fund	2,995,800	3,135,100	3,157,600	3,143,100	3,156,400
TOTAL EXPENDITURES	15,707,200	17,196,100	17,377,200	16,127,100	16,211,400

The Division of Public Health Protection and Safety provides a variety of environmental health services to the general public and other local and state agency partners. These services range from monitoring exposure to radiation to ensuring sanitation of food, milk, and various public facilities including hotels, swimming pools, tattoo studios and others. These programs provide technical consultation, guidance and training to the sixty-one (61) local health departments (LHDs); some 500 LHD environmental registered sanitarians, and provide regulatory oversight to thousands of Kentucky's regulated businesses. The Program's mission statement is: promoting a healthier, safer public through prevention, education, communication, and regulation.

The Radiation Health subprogram inspects and issues over 720 licenses to users of radioactive materials. The subprogram monitors the transportation of radioactive waste throughout the Commonwealth, and is mandated and equipped to respond to radiological emergencies 24 hours a day. The subprogram registers and inspects more than 4,000 facilities with 10,715 X-Ray tubes, and conducts reviews and inspects approximately 164 mammography facilities and approves approximately 65 shielding plans for facilities. The subprogram also operates a radiation health laboratory which collects and analyzes approximately 5,000 environmental samples for radiologic contamination annually and conducts over 6,000 analyses on the samples. This subprogram also provides monitoring for radiologic sites such as the Maxey Flats Disposal Site and the Paducah Gaseous Diffusion Plant. Approximately 17,700 quality control analyses are also conducted annually.

The Milk Safety subprogram operates under Kentucky Revised Statute Chapter 217C, to prevent adulteration, misbranding, and false advertising of milk and milk products and protects the public from disease transmission through milk products. This mandate is achieved through inspections of dairy farms, dairy plants, micro-processors, distributors, milk haulers, and all other identities which improve the quality of milk that is produced and sold to the public. This subprogram also monitors the development of product standards of identity and legal labeling for all dairy products as mandated by the U.S. Food and Drug Administration (FDA) and the U.S. Department of Agriculture. Kentucky adopted the 2011 edition of the Pasteurize Milk Ordinance, a federally mandated ordinance which ensures certain quality standards and which allows milk produced and processed in Kentucky to be produced, processed, transported and sold to all other forty-nine states.

The Food Safety subprogram provides regulatory oversight to Kentucky's multi-billion dollar food industry. The subprogram provides training and technical consultation to LHD employees who inspect food service establishments, retail food stores, vending machine companies, tattoo studios, body piercing facilities, boarding homes, tanning facilities, and bed and breakfast establishments in order to prevent the spread of communicable diseases and injuries. The subprogram also directly regulates food manufacturing and storage programs and the farmer's market for program compliance with state regulation. The subprogram responds to and investigates food recalls and works closely with the federal FDA on outbreak investigation involving regulated foods. The Food Safety subprogram is also actively involved during natural and man-made disasters to protect the food supply.

The Environmental Management subprogram is responsible for the oversight and regulatory requirements involving public facilities, including hotels/motels, public restrooms, schools, state confinement facilities, public swimming and bathing facilities, mobile home/recreational vehicle parks/communities, and youth camps through annual operating permits and routine inspections as required by law. The subprogram provides technical assistance and training to the sixty-one (61) LHDs which provide direct inspection of the regulated entities. The subprogram is also responsible for: conducting initial certification and ongoing specialized trainings to LHD environmental staff, providing continuing education for septic system installers, approving septic system components and experimental designs, providing consumer education on such issues as mold and bedbugs, operating a radon education program, and providing support for both the rabies control program and issues regarding private water sources. The subprogram additionally is responsible for maintaining certifications and tracking continuing education for certified radon professionals.

This subprogram also ensures that public health nuisances (illegal garbage dumps, accumulation of trash and garbage, rodent infestations, mosquito infestations, and untreated sewage) are investigated and abated by LHD inspectors. Through its education, investigation, permitting, and inspection activities, the Environmental Management Branch has a direct effect on protecting the lives of the public as well as, the operation of most private business entities.

The Public Safety subprogram is responsible for the regulation and certification of lead abatement professionals and clearance testing of mitigated properties. This subprogram also oversees the public swimming pool construction program and the methamphetamine contaminated properties program. Public Safety provides epidemiological support for disease cluster investigations and supports statistical and standardized reporting of environmental data. This subprogram houses the CDC funded program, which provides data to the Environmental Public Health Tracking Network to establish links between the environment and health outcomes.

Health and Family Services

Health Policy

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	441,500	634,100	663,800	471,600	476,900
Total General Fund	441,500	634,100	663,800	471,600	476,900
Restricted Funds					
Balance Forward	516,300	287,700	59,100	287,700	59,100
Current Receipts	640,000	640,000	640,000	640,000	640,000
Non-Revenue Receipts	-50,000	-50,000	-50,000	-50,000	-50,000
Total Restricted Funds	1,106,300	877,700	649,100	877,700	649,100
Federal Fund					
Current Receipts	1,013,100	1,013,100	1,013,100	1,013,100	1,013,100
Total Federal Fund	1,013,100	1,013,100	1,013,100	1,013,100	1,013,100
TOTAL SOURCE OF FUNDS	2,560,900	2,524,900	2,326,000	2,362,400	2,139,100
EXPENDITURES BY CLASS					
Personnel Costs	2,029,100	2,221,700	2,081,900	2,055,800	1,891,600
Operating Expenses	44,100	44,100	44,100	47,500	47,500
Grants Loans Benefits	200,000	200,000	200,000	200,000	200,000
TOTAL EXPENDITURES	2,273,200	2,465,800	2,326,000	2,303,300	2,139,100
EXPENDITURES BY FUND SOURCE					
General Fund	441,500	634,100	663,800	471,600	476,900
Restricted Funds	818,600	818,600	649,100	818,600	649,100
Federal Fund	1,013,100	1,013,100	1,013,100	1,013,100	1,013,100
TOTAL EXPENDITURES	2,273,200	2,465,800	2,326,000	2,303,300	2,139,100
EXPENDITURES BY UNIT					
Office of Health Policy	2,273,200	2,465,800	2,326,000	2,303,300	2,139,100
TOTAL EXPENDITURES	2,273,200	2,465,800	2,326,000	2,303,300	2,139,100

The Office of Health Policy is charged with administering the state certificate of need program and coordinating with other Cabinet for Health and Family Services (CHFS) agencies as well as state agencies outside CHFS regarding health care policy issues and health data collection.

There are two functions within the Office of Health Policy: Health Policy Development and Certificate of Need.

The Health Policy Development staff seeks to provide coordination among state agencies and programs including: The Department for Medicaid Services, Department for Behavioral Health and Developmental and Intellectual Disabilities and the Department for Public Health as well as agencies outside the Cabinet such as Department of Insurance and the Kentucky Employees' Health Plan. In addition to coordinating health policy and health insurance issues, staff oversees legislative and regulatory efforts to ensure that proposed statutes and regulations are consistent across departments, consistent with the overall goals of the cabinet, and develops health insurance policy in coordination with the Kentucky Department of Insurance. Staff is also responsible for collecting and analyzing statewide health data critical for sound decision making. Through its policy work, data collection and analysis, the Office identifies opportunities for preparing and distributing relevant information to the public about health, health care and public policy.

The Certificate of Need (CON) staff is responsible for administering the certificate of need program in order to prevent unnecessary proliferation and/or duplication of health care facilities, health services and major medical equipment that increase the cost of health care within the Commonwealth. Staff are responsible for developing the State Health Plan which guides the decision-making process for many types of CON applications. The proposed State Health Plan goes through an extensive review process allowing for comment and input from the public as well as the provider community.

A certificate of need is required to establish a health facility, to change bed capacity of health facility, to make a substantial change in a project (as defined by KRS Chapter 216 B.015), to add a health service for which there are review criteria in the state health plan, to add a service subject to licensure, to obligate a capital expenditure or acquire major medical equipment which exceeds a specific threshold, or to change the geographic area which has been designated on a certificate of need or license.

Health and Family Services
Family Resource Centers and Volunteer Services

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,412,600	8,316,400	8,343,900	1,526,400	1,544,700
Total General Fund	1,412,600	8,316,400	8,343,900	1,526,400	1,544,700
Federal Fund					
Balance Forward	173,900	38,500	16,400		
Current Receipts	6,795,200	7,028,200	7,046,600	7,042,200	7,053,300
Total Federal Fund	6,969,100	7,066,700	7,063,000	7,042,200	7,053,300
TOTAL SOURCE OF FUNDS	8,381,700	15,383,100	15,406,900	8,568,600	8,598,000
EXPENDITURES BY CLASS					
Personnel Costs	1,768,200	2,027,600	2,067,800	1,926,800	1,948,600
Operating Expenses	101,100	101,200	101,200	102,200	102,200
Grants Loans Benefits	6,512,400	13,237,900	13,237,900	6,539,600	6,547,200
TOTAL EXPENDITURES	8,381,700	15,366,700	15,406,900	8,568,600	8,598,000
EXPENDITURES BY FUND SOURCE					
General Fund	1,412,600	8,316,400	8,343,900	1,526,400	1,544,700
Federal Fund	6,969,100	7,050,300	7,063,000	7,042,200	7,053,300
TOTAL EXPENDITURES	8,381,700	15,366,700	15,406,900	8,568,600	8,598,000
EXPENDITURES BY UNIT					
Family Resource and Youth Services Center	1,480,100	8,363,500	8,388,200	1,577,000	1,592,200
Kentucky Com. Community Volunteerism and Serv.	6,901,600	7,003,200	7,018,700	6,991,600	7,005,800
TOTAL EXPENDITURES	8,381,700	15,366,700	15,406,900	8,568,600	8,598,000

The Department for Family Resource Centers and Volunteer Services is comprised of two separate programs: Family Resource and Youth Service Centers and the Kentucky Commission on Community Volunteerism and Services.

Health and Family Services
Family Resource Centers and Volunteer Services
Family Resource and Youth Services Center

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,150,100	8,018,400	8,040,800	1,240,000	1,254,500
Total General Fund	1,150,100	8,018,400	8,040,800	1,240,000	1,254,500
Federal Fund					
Balance Forward	58,500	38,500	16,400		
Current Receipts	271,500	323,000	331,000	337,000	337,700
Total Federal Fund	330,000	361,500	347,400	337,000	337,700
TOTAL SOURCE OF FUNDS	1,480,100	8,379,900	8,388,200	1,577,000	1,592,200
EXPENDITURES BY CLASS					
Personnel Costs	1,114,100	1,266,600	1,291,300	1,212,200	1,227,400
Operating Expenses	22,600	23,000	23,000	23,300	23,300
Grants Loans Benefits	343,400	7,073,900	7,073,900	341,500	341,500
TOTAL EXPENDITURES	1,480,100	8,363,500	8,388,200	1,577,000	1,592,200
EXPENDITURES BY FUND SOURCE					
General Fund	1,150,100	8,018,400	8,040,800	1,240,000	1,254,500
Federal Fund	330,000	345,100	347,400	337,000	337,700
TOTAL EXPENDITURES	1,480,100	8,363,500	8,388,200	1,577,000	1,592,200

The Kentucky Education Reform Act (KERA) of 1990, KRS 156.496 and KRS 156.4977 as amended, created the Family Resource and Youth Services Centers (FRYSC). FRYSC provides technical assistance, as well as administrative and training support to the local school-based FRYSC. The primary goal of these centers is to enhance student ability to succeed in school by developing and sustaining partnerships that promote early learning and successful transition into school, academic achievement and well-being, graduation, and transition into adult life.

Each center has a unique blend of program components depending on location, available services, local need, and community input designed to promote the flow of resources and support to families in ways that strengthen their functioning and further the growth and development of each member. Services may include after-school child care, literacy programs, home visits to new/expectant parents, support and training for child day care providers, referrals to social services, employment counseling, summer and part-time job development, drug/alcohol counseling, and family crisis and mental health counseling. Centers also offer programs such as peer mediation, conflict resolution, pregnancy prevention and job shadowing.

Selected FRYSCs are also participating as a partner in one of the Race to the Top: Early Learning Challenge initiatives: Born Learning Academies. Kentucky incorporated the academies as part of its Race to the Top grant application. Kentucky proposes to expand the number of Born Learning Academies to 150 more elementary schools over four years. Through a gradual release approach of this evidence-based model, local Academies are implemented to assist parents of preschool children. The Born Learning Academies, which consist of six sessions, enable families to better understand early learning and development of their child by using everyday activities and occurrences as learning moments. FRYSCs currently work in every high-need elementary school in the Commonwealth. The goal of the Race to the Top is full integration of the Born Learning model into FRYSCs core grant components within five years.

**Health and Family Services
Family Resource Centers and Volunteer Services
Kentucky Com. Community Volunteerism and Serv.**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	262,500	298,000	303,100	286,400	290,200
Total General Fund	262,500	298,000	303,100	286,400	290,200
Federal Fund					
Balance Forward	115,400				
Current Receipts	6,523,700	6,705,200	6,715,600	6,705,200	6,715,600
Total Federal Fund	6,639,100	6,705,200	6,715,600	6,705,200	6,715,600
TOTAL SOURCE OF FUNDS	6,901,600	7,003,200	7,018,700	6,991,600	7,005,800
EXPENDITURES BY CLASS					
Personnel Costs	654,100	761,000	776,500	714,600	721,200
Operating Expenses	78,500	78,200	78,200	78,900	78,900
Grants Loans Benefits	6,169,000	6,164,000	6,164,000	6,198,100	6,205,700
TOTAL EXPENDITURES	6,901,600	7,003,200	7,018,700	6,991,600	7,005,800
EXPENDITURES BY FUND SOURCE					
General Fund	262,500	298,000	303,100	286,400	290,200
Federal Fund	6,639,100	6,705,200	6,715,600	6,705,200	6,715,600
TOTAL EXPENDITURES	6,901,600	7,003,200	7,018,700	6,991,600	7,005,800

The Kentucky Commission for Community Volunteerism and Services (KCCVS) was created in 1994 to serve as a conduit for federal funds that support AmeriCorps programs in the Commonwealth and to assume responsibility for the statewide coordination of volunteer activities.

Federal funds received by KCCVS are contracted to community organizations that, in turn, receive local matching funds, which include cash and in-kind services. AmeriCorps members provide household budget training, home renovation assistance, life skills training, and services to help senior citizens live independently. They train volunteers, serve the homeless, mentor at-risk youth, and offer assistance to victims of natural disasters. In addition, participants tutor children in math and reading and provide drug abuse prevention education in elementary and secondary schools. Children tutored by AmeriCorps members tend to advance a minimum of two reading levels during the school year. Since 1994, Kentucky AmeriCorps members have served more than 15 million hours and have qualified for Education Awards totaling more than \$34.1 million.

Health and Family Services

Income Support

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,635,600	13,909,500	15,907,900	7,116,600	7,116,600
Budget Reduction-General Fund	-14,100				
Reorganization Adjustment	-44,600				
Total General Fund	7,576,900	13,909,500	15,907,900	7,116,600	7,116,600
Restricted Funds					
Balance Forward	3,010,400				
Current Receipts	12,994,400	12,424,900	12,424,900	12,424,900	12,424,900
Non-Revenue Receipts	126,000	126,000	126,000	126,000	126,000
Total Restricted Funds	16,130,800	12,550,900	12,550,900	12,550,900	12,550,900
Federal Fund					
Balance Forward	5,574,700				
Current Receipts	79,394,200	96,360,600	97,392,500	85,212,900	85,736,600
Total Federal Fund	84,968,900	96,360,600	97,392,500	85,212,900	85,736,600
TOTAL SOURCE OF FUNDS	108,676,600	122,821,000	125,851,300	104,880,400	105,404,100
EXPENDITURES BY CLASS					
Personnel Costs	49,096,800	58,163,800	59,334,900	56,262,700	56,897,100
Operating Expenses	5,044,700	5,357,200	5,304,400	5,299,700	5,189,000
Grants Loans Benefits	54,535,100	59,300,000	59,250,000	43,318,000	43,318,000
Debt Service			1,962,000		
TOTAL EXPENDITURES	108,676,600	122,821,000	125,851,300	104,880,400	105,404,100
EXPENDITURES BY FUND SOURCE					
General Fund	7,576,900	13,909,500	15,907,900	7,116,600	7,116,600
Restricted Funds	16,130,800	12,550,900	12,550,900	12,550,900	12,550,900
Federal Fund	84,968,900	96,360,600	97,392,500	85,212,900	85,736,600
TOTAL EXPENDITURES	108,676,600	122,821,000	125,851,300	104,880,400	105,404,100
EXPENDITURES BY UNIT					
Disability Determinations	50,882,800	56,958,500	57,919,600	56,627,200	57,034,200
Child Support	57,793,800	65,862,500	67,931,700	48,253,200	48,369,900
TOTAL EXPENDITURES	108,676,600	122,821,000	125,851,300	104,880,400	105,404,100

The Department for Income Support is responsible for administering Child Support Enforcement and Disability Determination Services.

These programs help to ensure that children are financially supported by parents who are legally obligated to pay child support and to determine medical eligibility for residents of the Commonwealth who apply for Social Security and Supplemental Security Income disability benefits from the federal government. The Department's mission is to facilitate financial and medical support services that enhance family wellness.

**Health and Family Services
Income Support
Disability Determinations**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Non-Revenue Receipts	126,000	126,000	126,000	126,000	126,000
Total Restricted Funds	126,000	126,000	126,000	126,000	126,000
Federal Fund					
Balance Forward	-910,600				
Current Receipts	51,667,400	56,832,500	57,793,600	56,501,200	56,908,200
Total Federal Fund	50,756,800	56,832,500	57,793,600	56,501,200	56,908,200
TOTAL SOURCE OF FUNDS	50,882,800	56,958,500	57,919,600	56,627,200	57,034,200
EXPENDITURES BY CLASS					
Personnel Costs	40,597,900	46,881,600	47,842,500	46,374,300	46,879,300
Operating Expenses	3,337,500	3,359,800	3,360,000	3,535,800	3,437,800
Grants Loans Benefits	6,947,400	6,717,100	6,717,100	6,717,100	6,717,100
TOTAL EXPENDITURES	50,882,800	56,958,500	57,919,600	56,627,200	57,034,200
EXPENDITURES BY FUND SOURCE					
Restricted Funds	126,000	126,000	126,000	126,000	126,000
Federal Fund	50,756,800	56,832,500	57,793,600	56,501,200	56,908,200
TOTAL EXPENDITURES	50,882,800	56,958,500	57,919,600	56,627,200	57,034,200

Disability Determination Services (DDS) determines medical eligibility for residents of the Commonwealth who apply for Social Security and Supplemental Security Income disability benefits from the federal government. The DDS reevaluates the claims of disability recipients who have been selected for a periodic review of their medical condition and conducts face-to-face evidentiary hearings for those individuals who appeal an unfavorable review of their continuing eligibility.

Disability Determination Services workload depends upon:

- the number of individuals who apply for disability benefits through the Social Security Administration (SSA),
- the number of claims that SSA selects for continuing review and sends to DDS, and
- Congressional mandates, legal actions or other initiatives.

Health and Family Services

Income Support

Child Support

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,635,600	13,909,500	15,907,900	7,116,600	7,116,600
Budget Reduction-General Fund	-14,100				
Reorganization Adjustment	-44,600				
Total General Fund	7,576,900	13,909,500	15,907,900	7,116,600	7,116,600
Restricted Funds					
Balance Forward	3,010,400				
Current Receipts	12,994,400	12,424,900	12,424,900	12,424,900	12,424,900
Total Restricted Funds	16,004,800	12,424,900	12,424,900	12,424,900	12,424,900
Federal Fund					
Balance Forward	6,485,300				
Current Receipts	27,726,800	39,528,100	39,598,900	28,711,700	28,828,400
Total Federal Fund	34,212,100	39,528,100	39,598,900	28,711,700	28,828,400
TOTAL SOURCE OF FUNDS	57,793,800	65,862,500	67,931,700	48,253,200	48,369,900
EXPENDITURES BY CLASS					
Personnel Costs	8,498,900	11,282,200	11,492,400	9,888,400	10,017,800
Operating Expenses	1,707,200	1,997,400	1,944,400	1,763,900	1,751,200
Grants Loans Benefits	47,587,700	52,582,900	52,532,900	36,600,900	36,600,900
Debt Service			1,962,000		
TOTAL EXPENDITURES	57,793,800	65,862,500	67,931,700	48,253,200	48,369,900
EXPENDITURES BY FUND SOURCE					
General Fund	7,576,900	13,909,500	15,907,900	7,116,600	7,116,600
Restricted Funds	16,004,800	12,424,900	12,424,900	12,424,900	12,424,900
Federal Fund	34,212,100	39,528,100	39,598,900	28,711,700	28,828,400
TOTAL EXPENDITURES	57,793,800	65,862,500	67,931,700	48,253,200	48,369,900

The Child Support Program under Title IV-D of the Social Security Act (PL 93-647) is designed to ensure that children are financially supported by parents who are legally obligated to pay child support. Both the state and federal governments share costs to conduct this program. State statutes governing the operation of this program were enacted under the Kentucky Child Support Recovery Act and are contained in KRS 205.710 - KRS 205.800.

The core functions of the child support program include locating parents; establishing paternity; establishing, enforcing, and modifying child support orders; and collecting and disbursing child support payments. Program responsibilities include the establishment and enforcement of medical support. In addition to traditional judicial processes, state and federal laws allow the Child Support Program to accomplish its mission through administrative processes such as in-hospital paternity establishment, wage assignments, liens and levies on personal property and assets, and offsetting tax refunds and unemployment benefits. The Child Support Program maintains program administration contracts with 117 county officials to provide child support collection locally in all 120 counties.

Child support services are automatically provided to families receiving assistance under the Kentucky Transitional Assistance Program (K-TAP) or Medicaid, and to children placed in the care of the Cabinet for Health and Family Services. Payment collected for families receiving K-TAP and children in the care of the Cabinet for Health and Family Services is used to reimburse the state and federal governments for benefits expended on behalf of those families and children. Families that do not participate in the cash or medical assistance programs may also apply for child support services.

The Child Support Enforcement Program receives incentive payments from the federal government based on program performance in five program areas: Paternity Establish Performance for Title IV-D and Statewide, Support Order Performance, Current Payment Performance, Arrearage Payment Performance and Cost-Effectiveness Performance. The Deficit Reduction Act (DRA) of 2005 disallowed use of federal performance incentives as state matching funds for Federal Financial Participation (FFP).

**Health and Family Services
Community Based Services**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	384,035,000	479,823,800	486,964,300	477,118,000	479,104,400
Reorganization Adjustment	-128,900				
Total General Fund	383,906,100	479,823,800	486,964,300	477,118,000	479,104,400
Tobacco Fund					
Tobacco Settlement - Phase I	8,894,700	8,894,700	8,894,700	13,211,100	11,920,000
Current Year Appropriation	7,319,300				
Continuing Approp-Tob Settlement	3,400				
Total Tobacco Fund	16,217,400	8,894,700	8,894,700	13,211,100	11,920,000
Restricted Funds					
Balance Forward	5,678,100				
Current Receipts	192,557,300	218,699,300	222,483,300	218,699,300	222,483,300
Non-Revenue Receipts	-41,718,100	-36,914,500	-39,328,600	-39,283,200	-42,143,900
Total Restricted Funds	156,517,300	181,784,800	183,154,700	179,416,100	180,339,400
Federal Fund					
Balance Forward	7,034,900				
Current Receipts	536,988,100	581,408,600	586,823,100	567,893,900	572,882,600
Total Federal Fund	544,023,000	581,408,600	586,823,100	567,893,900	572,882,600
TOTAL SOURCE OF FUNDS	1,100,663,800	1,251,911,900	1,265,836,800	1,237,639,100	1,244,246,400
EXPENDITURES BY CLASS					
Personnel Costs	358,692,700	433,728,500	443,281,900	449,726,000	453,336,700
Operating Expenses	48,976,800	66,034,300	66,641,300	60,477,500	60,518,600
Grants Loans Benefits	692,994,300	752,149,100	755,913,600	727,435,600	730,391,100
TOTAL EXPENDITURES	1,100,663,800	1,251,911,900	1,265,836,800	1,237,639,100	1,244,246,400
EXPENDITURES BY FUND SOURCE					
General Fund	383,906,100	479,823,800	486,964,300	477,118,000	479,104,400
Tobacco Fund	16,217,400	8,894,700	8,894,700	13,211,100	11,920,000
Restricted Funds	156,517,300	181,784,800	183,154,700	179,416,100	180,339,400
Federal Fund	544,023,000	581,408,600	586,823,100	567,893,900	572,882,600
TOTAL EXPENDITURES	1,100,663,800	1,251,911,900	1,265,836,800	1,237,639,100	1,244,246,400
EXPENDITURES BY UNIT					
Family Support	354,603,700	400,087,800	409,863,300	393,807,200	400,144,100
Energy	45,001,700	45,009,300	45,010,400	45,005,900	45,006,200
Child Care	128,559,900	128,413,300	128,485,600	130,087,200	128,824,400
Family and Community Services	572,498,500	678,401,500	682,477,500	668,738,800	670,271,700
TOTAL EXPENDITURES	1,100,663,800	1,251,911,900	1,265,836,800	1,237,639,100	1,244,246,400

The Department for Community Based Services (DCBS) is responsible for administering the following programs: Family Support (including Temporary Assistance to Needy Families; Supplementation Nutrition Assistance Program; Medicaid and health insurance affordability program eligibility; and State Supplementation for aged, blind or disabled individuals); Energy Assistance; Child Care; and Family and Community Based Services (including Family Based Services, Adult Services and Alternatives for Children).

These programs benefit Kentuckians who are without sufficient resources to meet their basic needs. The Department's mission is to preserve the family as a unit when possible and protect individuals from abuse, neglect, and exploitation with safety and permanency as the paramount goals.

**Health and Family Services
Community Based Services
Family Support**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	129,454,100	155,097,000	159,854,400	153,433,300	155,821,600
Total General Fund	129,454,100	155,097,000	159,854,400	153,433,300	155,821,600
Restricted Funds					
Balance Forward	838,700				
Current Receipts	1,147,800	2,086,500	2,086,500	2,086,500	2,086,500
Non-Revenue Receipts	28,145,500	31,543,000	32,082,900	29,174,300	29,267,600
Total Restricted Funds	30,132,000	33,629,500	34,169,400	31,260,800	31,354,100
Federal Fund					
Balance Forward	63,236,800				
Current Receipts	131,780,800	211,361,300	215,839,500	209,113,100	212,968,400
Total Federal Fund	195,017,600	211,361,300	215,839,500	209,113,100	212,968,400
TOTAL SOURCE OF FUNDS	354,603,700	400,087,800	409,863,300	393,807,200	400,144,100
EXPENDITURES BY CLASS					
Personnel Costs	168,986,700	202,778,600	206,903,500	201,710,400	203,570,600
Operating Expenses	25,592,100	29,736,400	29,737,600	27,524,000	27,001,300
Grants Loans Benefits	160,024,900	167,572,800	173,222,200	164,572,800	169,572,200
TOTAL EXPENDITURES	354,603,700	400,087,800	409,863,300	393,807,200	400,144,100
EXPENDITURES BY FUND SOURCE					
General Fund	129,454,100	155,097,000	159,854,400	153,433,300	155,821,600
Restricted Funds	30,132,000	33,629,500	34,169,400	31,260,800	31,354,100
Federal Fund	195,017,600	211,361,300	215,839,500	209,113,100	212,968,400
TOTAL EXPENDITURES	354,603,700	400,087,800	409,863,300	393,807,200	400,144,100
EXPENDITURES BY UNIT					
Supplemental Nutrition Assistance Program	115,378,400	145,202,800	148,444,600	140,406,000	141,001,300
Medical Assistance	56,607,500	63,402,600	64,482,300	59,515,700	59,779,500
State Supplementation	13,979,900	14,077,800	14,093,400	14,144,900	14,159,800
TANF	168,637,900	177,404,600	182,843,000	179,740,600	185,203,500
TOTAL EXPENDITURES	354,603,700	400,087,800	409,863,300	393,807,200	400,144,100

Family Support consists of the following programs: Temporary Assistance to Needy Families (TANF); Supplemental Nutrition Assistance Program (SNAP), formerly known as Food Stamps; eligibility determination for Medicaid and for health insurance premium assistance through the Kentucky Health Benefit Exchange; and State Supplementation Program for persons who are aged, blind, or have a disability (State Supplementation). The programs administered by the Division of Family Support are designed to promote self-sufficiency, job training assessment, and the delivery of basic essential services for families and children who need assistance. Programs are accessible to all residents of Kentucky counties. Each local office has the responsibility to determine eligibility, provide facts and information of available benefits as well as the regulatory limitations of available benefits, and maintain case record information.

The National Voter Registration Act of 1993, also known as the Motor-Voter Act, requires agencies that deliver services to persons with disabilities or provide benefits under the Temporary Assistance for Needy Families/Kentucky Transitional Assistance Program, Special Supplemental Nutrition Programs for Women, Infants and Children (WIC), Medicaid, or SNAP, as well as Armed Forces Recruiting Stations and driver licensing stations to make available voter registration applications to their clients. Since Family Support administers two of these programs, it distributes voter registration forms, provides assistance in completing these forms, and ensures completed forms reach the proper state election office for processing in order to comply with this mandate.

Temporary Assistance for Needy Families (TANF)

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) amended and combined Title IV-A (Aid for Families with Dependent Children or AFDC) and Title IV-F (Job Opportunities and Basic Skills Training

Program or JOBS) of the Social Security Act to provide block grants to states for TANF. These federal funds support the program's administrative and benefit expenditures that include personnel, operating, and indirect costs; contracts with partnering agencies; cash assistance subsidies; supportive services; child care; and transportation. A Maintenance of Effort requirement mandates that states spend at least 80 percent of fiscal year 1994 expenditures on the program each year. For Kentucky, this amount is \$71.9 million per year.

The Kentucky Transitional Assistance Program (K-TAP) is the Commonwealth's cash assistance program for families with a dependent child who is deprived of parental support due to the continued absence, unemployment, incapacity, or death of one or both parents. Monthly payments are designed to help adults find a job or obtain training that leads to employment. Gross income must fall below a level appropriate for the family's size, and total family resources cannot exceed agency limits.

The Kentucky Works Program assists recipients with their transition into the workforce and attainment of self-sufficiency. Adults receiving K-TAP benefits must participate in this program and, with the help of a case manager, develop a Transitional Assistance Agreement. Kentucky Works Program activities include employment, on-the-job training, work experience training programs, a job search/job readiness component, vocational training or other educational services, community service, high school completion for teen parents, and other activities necessary to prepare for employment. Referrals to providers of transportation, child care, and supportive services such as car repairs and supplies ensure that individuals are able to take part in this program.

Safety Net Services are available to former K-TAP families who lose cash assistance as a result of time limits or failure to comply with requirements of the Kentucky Works Program. Families with an income at or below 200 percent of the federal poverty level can access temporary benefits to meet basic needs such as shelter, food, clothing, or utilities. Following a qualifying event, a total of \$635 may be authorized for four months during a 12-month period.

The Family Alternatives Diversion Program (FAD) provides an alternative for families, who, while otherwise eligible, choose not to receive K-TAP cash assistance. A maximum of \$1,300 is available to assist the family with immediate needs such as food, shelter, transportation, etc. These benefits may be authorized for a three-month period. FAD may be approved once during a 24-month period and no more than twice in a lifetime.

The Kinship Care Program provides financial assistance and support services to non-parental relatives caring for children who cannot remain in the home of their parents due to abuse, neglect, or the death of both parents. Effective April 1, 2013, the Department for Community Based Services (DCBS) issued a moratorium impacting a child's initial eligibility for the Kinship Care Program; however, the moratorium did not apply to previously existing beneficiaries. A one-time relative placement support benefit and K-TAP are available to address a child's immediate and ongoing needs, respectively, upon placement by the Department with a qualified relative caregiver as an alternative to foster care.

Efforts to partner with local communities to achieve the goals of self-sufficiency, protection, and permanency for Kentucky's families continue. The flexibility of the TANF block grant has allowed the Department to pursue initiatives such as change management and organizational restructuring and, as a result, better address the needs of those striving to escape a life of dependency.

Medicaid Eligibility and Health Insurance Affordability

DCBS determines eligibility for the Medicaid program under a contract with the Department for Medicaid Services. The Medicaid program is authorized under Title XIX of the U.S. Social Security Act and KRS 205.520 and has expanded through state option made available through the Patient Protection and Affordable Care Act (P.L. 111-148), as amended by Health Care and Education Reconciliation Act (P.L. 111-152).

The Department provides eligibility determination services for health insurance premium assistance program via the state-based American Health Benefit Exchange (Kentucky Health Benefit Exchange) established in accordance with P.L. 111-148, as amended, and 42 U.S.C. 18031

State Supplementation

The State Supplementation Program, authorized by KRS 205.245, provides financial support to aged, blind, or disabled individuals who have insufficient income to meet their needs in a licensed personal care home or family care home, or to purchase caretaker services designed to prevent institutionalization. To be eligible, persons must meet the criteria of the Social Security Income program related to age, blindness or disability as well as additional requirements associated with citizenship, Kentucky residency, and special needs.

Supplemental Nutrition Assistance Program (SNAP)

The Supplemental Nutrition Assistance Program (SNAP), formerly known as Food Stamps, helps low-income persons purchase food for a nutritional diet. SNAP has its origins in the Food Stamp Act of 1964 (P.L. 88-525). It is designed to promote the general welfare and safeguard the health and well-being of the nation's population by raising nutritional levels among low-income households. "Household" is defined as any individual, family, or group of people living with each other who buy and prepare food together. To qualify, each household must meet eligibility standards.

The SNAP Employment and Training Program (E & T) is designed to assist able-bodied SNAP recipients obtain employment that leads to self-sufficiency. In Kentucky, E & T serves only non-exempt work registrants between the ages of 18 and 49, otherwise known as Able-Bodied Adults without Dependents. Recipients of this service must participate and comply with E & T requirements in order to maintain their SNAP eligibility.

Policy

The Executive Budget includes \$1,800,000 General Fund in fiscal year 2018-2019 and \$3,300,000 General Fund in fiscal year 2019-2020 lifting the Kinship Care moratorium issued in March 2013.

The Executive Budget includes \$5,200,000 General Fund in each fiscal year for additional Social Worker and administrative support positions within Community Based Services to improve workforce, upgrade technology and address caseload levels.

**Health and Family Services
Community Based Services**

Energy

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Federal Fund					
Balance Forward	257,300				
Current Receipts	44,744,400	45,009,300	45,010,400	45,005,900	45,006,200
Total Federal Fund	45,001,700	45,009,300	45,010,400	45,005,900	45,006,200
TOTAL SOURCE OF FUNDS	45,001,700	45,009,300	45,010,400	45,005,900	45,006,200
EXPENDITURES BY CLASS					
Personnel Costs	42,700	49,000	50,100	47,000	47,300
Operating Expenses	11,600	15,000	16,100	13,600	14,700
Grants Loans Benefits	44,947,400	44,945,300	44,944,200	44,945,300	44,944,200
TOTAL EXPENDITURES	45,001,700	45,009,300	45,010,400	45,005,900	45,006,200
EXPENDITURES BY FUND SOURCE					
Federal Fund	45,001,700	45,009,300	45,010,400	45,005,900	45,006,200
TOTAL EXPENDITURES	45,001,700	45,009,300	45,010,400	45,005,900	45,006,200

The Low Income Home Energy Assistance program is a federally funded program that helps low-income households meet their home heating and/or cooling needs through direct fuel bill subsidies.

The Home Energy Assistance program, authorized by KRS 205.400, provides support with home heating/cooling costs for low-income households. Services include accepting applications, determining eligibility, implementing an outreach component, and coordinating this program with other energy assistance initiatives. Eligibility criteria include income that does not exceed 130 percent of the federal poverty level, resources that total less than \$2,000 (or \$3,000 if at least one person in the household is either age 60 or older or disabled, \$4,000 if there is a catastrophic illness in the household), and the responsibility for home heating expenses. This program is divided into two components. The subsidy component assists recipients with home heating costs for which they are responsible either by direct payment or as an undesignated portion of their rent. The crisis component assists eligible households experiencing a home energy emergency involving imminent loss of heating energy.

**Health and Family Services
Community Based Services**

Child Care

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	26,249,700	26,249,700	26,249,700	26,341,600	26,349,900
Total General Fund	26,249,700	26,249,700	26,249,700	26,341,600	26,349,900
Tobacco Fund					
Tobacco Settlement - Phase I	8,714,700	8,714,700	8,714,700	10,531,100	9,240,000
Current Year Appropriation	1,519,300				
Continuing Approp-Tob Settlement	3,400				
Total Tobacco Fund	10,237,400	8,714,700	8,714,700	10,531,100	9,240,000
Restricted Funds					
Balance Forward	607,900				
Current Receipts		72,800	72,800	72,800	72,800
Non-Revenue Receipts	-535,100				
Total Restricted Funds	72,800	72,800	72,800	72,800	72,800
Federal Fund					
Balance Forward	6,253,400				
Current Receipts	85,746,600	93,376,100	93,448,400	93,141,700	93,161,700
Total Federal Fund	92,000,000	93,376,100	93,448,400	93,141,700	93,161,700
TOTAL SOURCE OF FUNDS	128,559,900	128,413,300	128,485,600	130,087,200	128,824,400
EXPENDITURES BY CLASS					
Personnel Costs	12,179,400	11,787,700	11,860,000	13,680,100	12,417,300
Operating Expenses	531,100	776,500	776,500	558,000	558,000
Grants Loans Benefits	115,849,400	115,849,100	115,849,100	115,849,100	115,849,100
TOTAL EXPENDITURES	128,559,900	128,413,300	128,485,600	130,087,200	128,824,400
EXPENDITURES BY FUND SOURCE					
General Fund	26,249,700	26,249,700	26,249,700	26,341,600	26,349,900
Tobacco Fund	10,237,400	8,714,700	8,714,700	10,531,100	9,240,000
Restricted Funds	72,800	72,800	72,800	72,800	72,800
Federal Fund	92,000,000	93,376,100	93,448,400	93,141,700	93,161,700
TOTAL EXPENDITURES	128,559,900	128,413,300	128,485,600	130,087,200	128,824,400

The Child Care Program administers the child care assistance subsidy program, the STARS quality rating system, as well as a professional development framework for child care providers. The primary funding services for the program include the federal Child Care Development Fund, state General Fund and Tobacco Settlement-Phase I funds.

The Child Care Development Fund (CCDF) was created by Congress in August 1996 as part of the federal welfare reform legislation. Child care services delivered through CCDF are designed to promote, expand, and improve the quality of care for children in Kentucky and ensure that families most in need are aware of and have access to available, quality child care which is developmentally appropriate, affordable, and safe. The Cabinet for Health and Family Services' approach to service delivery combines the efforts of Cabinet staff and other service providers to address a family's needs in a comprehensive fashion thereby maximizing the likelihood that a family will achieve positive outcomes. Child Care serves Kentucky's most vulnerable children prioritizing children receiving child protective or preventive services, Temporary Assistance for Needy Families (TANF) recipients and persons transitioning off TANF, children with special needs, and teen parents. Children of low income working families are also eligible for child care assistance.

CCDF Regulation 45 C.F.R. Section 98.51 mandates that no less than four percent (4%) of the aggregate funds expended by the lead agency for the fiscal year be spent for quality activities which include child care health and safety requirements, STARS for KIDS NOW and early care and education professional development. Moreover, CCDF requires that additional funding be set aside for quality initiatives to address the following topics: infant and toddler care, school age care and resource and referral services.

Child Care invests in support services required to allow parents to be self-sufficient without sacrificing the well-being of their children. The CCDF was last reauthorized in 2005 and the goals of access and quality compete for limited childcare resources.

The Child Care Assistance Program is one of the support services directed at: (1) eliminating barriers to work and education for parents; (2) strengthening and maintaining client families; (3) providing early educational opportunities for at-risk children; (4) preventing or remedying abuse, neglect or exploitation of children; (5) preventing family dissolution; and (6) preventing out of home placements; These services are provided by subsidized child care through the CCDF for full and part-day care through the use of licensed providers, certified family child care homes and registered providers. Childcare services are intended to supplement, but not supplant, the parents' responsibility for the child's protection, development, and supervision. To that end, children with special needs and child protective services cases are the top priority for the Division of Child Care. In addition, childcare funding is also used to support low-income working parents and TANF client's efforts to find and keep jobs and transition off welfare. Licensed centers and homes, certified family childcare homes, and registered providers including relative and non-relative providers meeting enrollment requirements and health and safety guidelines, are reimbursed for services at approved rates for eligible, enrolled families.

Due to a projected budget shortfall in fiscal year 2014 the following changes were implemented in the Child Care Assistance Program:

- Effective April 1, 2013 – DCBS froze intake for new low-income clients; and
- Effective July 1, 2013 – DCBS reduced the CCAP income eligibility threshold from 150% of the 2011 Federal Poverty Level (FPL) at initial application and 165% FPL at redetermination to 100% FPL for redetermination.

Additional funding in the 2014-2016 biennial budget restored funding to enable the freeze to be lifted and to restore income eligibility levels back to the 150% of the 2011 federal poverty level and 165% redetermination levels.

The STARS for KIDS NOW Program is part of Kentucky's Early Childhood Initiative and is a voluntary quality rating system that places major emphasis on raising the quality level of early care and education in child care settings. STARS for KIDS NOW monetary incentives and rewards are granted to childcare providers based on environmental scoring using identified characteristics associated with positive outcomes for children and families. Through the provision of technical assistance, providers work to achieve quality indicators in their Environmental Rating Scale to achieve a STAR Level of 1 through 4. Programs receiving STARS Levels 1 through 4 rating surpass the minimum licensing or certification requirements per regulations. Programs are assessed in the following areas: staff/child ratios, group size, curriculum, family involvement, training and education of staff, regulatory compliance, and personnel practices. The Department is an active participant in the Race to the Top, Early Learning Challenge grant. Kentucky is currently in the process of revising the STARS Quality Rating system requirements and expanding the requirements to include not only child day care centers, but public preschool and Head Start programs as well. The Department will be piloting the new requirements during fiscal year 2016.

The Professional Development System is also part of Kentucky's Early Childhood Initiative. The Division has put in place the "Kentucky Childhood Professional Development Framework" which addresses the needs for education, training and credentialing of early care professionals in Kentucky and represents a culmination of months of planning and input from multiple stakeholders across the state. The Framework identifies individual core competencies, credentials, scholarships, grants, awards and training criteria to early care and education professionals. Additionally, targeted quality set-asides under CCDF are being utilized to promote and improve the quality of infant/toddler training opportunities, enhance professional development activities, improve education in child care programs, improve staff and child interactions, increase parental involvement, and facilitate regulatory compliance to all child care programs.

Childcare resource, and referral agencies (CCR&R's) provide services across the Commonwealth of Kentucky. The Cabinet contracts with the University of Kentucky, Human Development Institute through a sub-contract for coordination and management of Child Care Resource and Referral (CCR&R) Network ensuring services in the fifteen (15) Area Development Districts (ADD) covering all 120 counties in Kentucky to coordinate statewide core services as outlined in KRS 199.8992.

The CCR&R Network is comprised of fourteen (14) Regional Training Coordinators, fourteen (14) Regional Technical Assistance Coordinators, and two (2) Regional Technical Assistance Specialists to provide technical assistance, resources and coordination of professional development education to increase the quality of early care and education services across the commonwealth.

The Department, through the Child Care program, contracts with the CHFS Office of the Inspector General (OIG) to inspect, monitor, and license center-based providers, and inspect, monitor, and certify family childcare home providers who care for up to six (6) unrelated children. The OIG is also contracted to investigate complaints against

licensed and certified providers as well as to conduct fraud investigations. State statute stipulates that an individual caseload of 1:50 be maintained for continuation of quality services; however, the current average individual case load is 1:100.

Collaborative efforts continue between the Child Care program and key stakeholders in order to ensure that outcomes will focus on continuing quality improvements in early learning environments. These efforts include partnerships with Head Start, the Department of Education, the Department for Public Health Division of Maternal and Child Health, Kentucky Out-of-School Alliance, Governor's Office of Early Childhood, and other government and quasi-government agencies that share the common goal of increasing professionalism in early care and education, promoting quality care, and supporting early learning guidelines.

Policy

The Executive Budget provides Phase I Tobacco Settlement Funds in the amount of \$10,711,100 in fiscal year 2018-2019 and \$9,420,000 in fiscal year 2019-2020 for the Early Childhood Development Program.

**Health and Family Services
Community Based Services
Family and Community Services**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	228,331,200	298,477,100	300,860,200	297,343,100	296,932,900
Reorganization Adjustment	-128,900				
Total General Fund	228,202,300	298,477,100	300,860,200	297,343,100	296,932,900
Tobacco Fund					
Tobacco Settlement - Phase I	180,000	180,000	180,000	2,680,000	2,680,000
Current Year Appropriation	5,800,000				
Total Tobacco Fund	5,980,000	180,000	180,000	2,680,000	2,680,000
Restricted Funds					
Balance Forward	4,231,500				
Current Receipts	191,409,500	216,540,000	220,324,000	216,540,000	220,324,000
Non-Revenue Receipts	-69,328,500	-68,457,500	-71,411,500	-68,457,500	-71,411,500
Total Restricted Funds	126,312,500	148,082,500	148,912,500	148,082,500	148,912,500
Federal Fund					
Balance Forward	-62,712,600				
Current Receipts	274,716,300	231,661,900	232,524,800	220,633,200	221,746,300
Total Federal Fund	212,003,700	231,661,900	232,524,800	220,633,200	221,746,300
TOTAL SOURCE OF FUNDS	572,498,500	678,401,500	682,477,500	668,738,800	670,271,700
EXPENDITURES BY CLASS					
Personnel Costs	177,483,900	219,113,200	224,468,300	234,288,500	237,301,500
Operating Expenses	22,842,000	35,506,400	36,111,100	32,381,900	32,944,600
Grants Loans Benefits	372,172,600	423,781,900	421,898,100	402,068,400	400,025,600
TOTAL EXPENDITURES	572,498,500	678,401,500	682,477,500	668,738,800	670,271,700
EXPENDITURES BY FUND SOURCE					
General Fund	228,202,300	298,477,100	300,860,200	297,343,100	296,932,900
Tobacco Fund	5,980,000	180,000	180,000	2,680,000	2,680,000
Restricted Funds	126,312,500	148,082,500	148,912,500	148,082,500	148,912,500
Federal Fund	212,003,700	231,661,900	232,524,800	220,633,200	221,746,300
TOTAL EXPENDITURES	572,498,500	678,401,500	682,477,500	668,738,800	670,271,700
EXPENDITURES BY UNIT					
Family Based Services	141,112,000	162,289,400	165,646,400	158,687,900	160,232,900
Adult Services	36,045,000	38,457,500	38,839,900	38,645,500	38,880,200
Alternatives For Children	395,341,500	477,654,600	477,991,200	471,405,400	471,158,600
TOTAL EXPENDITURES	572,498,500	678,401,500	682,477,500	668,738,800	670,271,700

Family and Community Services are designed to provide maximum support to a family at the time of crisis to prevent the disruption of the family unit and to protect individuals from abuse, neglect, and exploitation with safety and permanency as the paramount goals.

The subprograms contained in Family and Community Services are Family Based Services, Adult Services, and Alternatives for Children. The legal authority for the program is in KRS Chapters 199, 200, 209 (Adult Protection), and 600-645, and in Titles IV, XIX and XX of the Social Security Act.

Family Based Services

Family-based services include child protection, reunification following out-of-home placement, home safety services, preventive services for families, community-based juvenile services, family preservation services, mental health services through contracts with local comprehensive care centers, self-help services provided through local child abuse councils, and preventive assistance.

Child Protective Services safeguard the rights and welfare of abused, neglected or dependent children; aid parents or other responsible persons in recognizing and remedying conditions detrimental to the welfare of their children; and

identify conditions that contribute to the neglect, abuse, or dependency of children. Child Protective Services are both preventive and corrective in nature. The Department for Community Based Services (DCBS) is mandated to receive and investigate reports of the abuse or neglect of children.

Home Safety Services provide in-home support that prevents the disruption of a family unit or expedites the return of the child by helping parents with general homemaker skills, role modeling, parenting skills, assistance in daily living skills, and direction in utilizing community services.

Preventive Services to families who do not qualify for services under other program areas address a family's treatment needs before the situation has escalated to become abusive or neglectful.

Family Preservation provides crisis intervention and intensive (5-20 hours per week) in-home services to families who have children at imminent risk of removal from their home. Family Reunification Services, which follow the same basic model with less intensive in-home services over a longer duration (up to 6 months), facilitate the successful return of children to the home and decrease the likelihood of repeated child placements.

Self-Help Groups provide support and education for parents in crisis or at risk of further abuse or neglect of children.

Juvenile Services in the community provide an array of preventive and treatment services for children adjudicated as status offenders under KRS 630. Because status offender behaviors such as running away from home, being beyond parental control and truancy are most often indicative of prior abuse or neglect of the child, services are targeted at prevention of further abuse or neglect and interventions to curb the child's negative behaviors. Appropriate services may be provided directly by DCBS or arranged through local mental health centers, Family Resource and Youth Service Centers, community partnerships, private child care agencies, and other private providers in the community.

Child advocacy centers provide services to victims of child sexual abuse and their non-offending caregivers.

Adult Services

Adult Services includes protection and self-support. Adult services are directed toward preserving the vulnerable individual's independence to the maximum degree possible and protecting him/her from abuse, neglect or exploitation pursuant to KRS Chapters 209 and 209A. The elements of adult services are:

- Adult protection,
- Domestic violence protection,
- Adult home safety services (which is the direct provision of home safety services to adults at risk or in need of protection),
- Alternate care (also called patient movement and placement) which involves assisting individuals with appropriate community and institutional placements,
- Preventive services for adults which entails assessment, planning, and guidance,
- Services provided by domestic violence shelters and crisis centers,
- Services provided by rape crisis centers, and
- Certification of batterer intervention program providers.

Services often involve finding food, shelter, clothing, and medical treatment. Adult Self-Support includes the Community Services Block Grant, which provides funding for emergency needs of economically disadvantaged citizens. This program helps to alleviate the stresses on the family unit resulting from poverty while promoting self-sufficiency.

Pursuant to KRS Chapters 209 and 209A, anyone who knows or suspects that an adult, who because of mental or physical dysfunction, or a spouse (without regard to age) is being abused, neglected or exploited must report this information to the Cabinet for Health and Family Services' Department for Community Based Services. The Department is required to investigate the report, notify local law enforcement officials, offer appropriate protection and support services, and maintain case records.

Homemaker Services are designed to enhance the adult's ability to remain at home in the least restrictive environment. Services may include meal preparation, budgeting, grocery shopping, menu planning, doing laundry, assisting with personal hygiene, changing beds, and sweeping floors. Homemaker services are a key element in enhancing the vulnerable adult's ability to remain at home and in assisting the family unit to remain intact.

DCBS is involved in placement and movement of individuals into, between, and out of facilities. Placement and

Movement denotes assistance provided to Medicaid-eligible individuals. Alternate Care denotes assistance to non-Medicaid eligible individuals. Approximately 56,000 Kentuckians need alternate care or placement and movement services each year. The majority of these individuals have family or friends to assist them in finding alternate living arrangements. The Department assists those individuals who are not able to locate appropriate placements. Alternate Care Services help ensure that persons are not inappropriately placed in a level of care exceeding their need, and thus promotes cost effectiveness. These services also help ensure that persons assisted receive the care they require.

As part of Alternate Care, the Department's family service workers make quarterly site visits to each freestanding personal care home and all family care homes to see residents and determine if their social and related needs are being met.

Domestic violence shelter services are available in each of the 15 Area Development Districts under a contract between the DCBS and the Kentucky Domestic Violence Association. Part of the funding for this element is provided by a portion of the marriage license fee as authorized by KRS 209.160.

Rape crisis centers provide services to victims of rape and sexual assault, their friends, and family members.

Batterer intervention program providers are mental health professionals meeting certification standards specified by DCBS who provide services to domestic violence batterers.

Alternatives for Children

The Alternatives for Children Program provides placement resources for children who have been or are at risk of being abused or neglected. The legal authority for Alternatives for Children includes KRS Chapters 199, 600 and 620, Titles IV-B and IV-E of the Social Security Act, and the Social Services Block Grant. Services are directed toward finding substitute care for children who must live apart from their family, working toward reuniting the child and family, and if that is not possible, securing an alternative living arrangement which will provide permanency for the child.

Family Foster Care takes place in the home of an agency-approved family. The development of alternative resources such as the Families and Children Together Services (FACTS), Family Preservation Program, Kinship Care or non-parental relative care, and Preventative Assistance has reduced the trend of more children placed in out-of-home care. Due to a projected budget shortfall in fiscal year 2014, a moratorium was implemented on the Kinship Care Program effective April 1, 2013. Relative caregivers and children in the program as of March 31, 2013 were not impacted.

Foster Parent Training, provided by DCBS staff and contractors, is required of all foster parents. Foster parents must complete 30 hours prior to approval and placement of a child and also are required to attend annual in-service training. Parents serving special needs or medically fragile children and those from family treatment homes are required to complete additional training. Care Plus Homes provide a setting where intensively trained foster parents furnish a viable alternative placement resource for children and youth who have serious emotional problems, are due to be released from treatment facilities, display aggressive or destructive behaviors or other disruptive behaviors, are at risk of being placed in more restrictive settings, are at risk of institutionalization, or have experienced numerous placement failures. Medically Fragile Foster Care serves children who need medical treatment and continuous monitoring but do not necessarily require the daily services of a nurse or doctor. Foster parents caring for these children are provided an increased reimbursement and must meet additional training and certification requirements.

Independent Living services are specialized services, including classroom and experiential training, designed to enhance the self-sufficiency skills of older children in foster care, private child care, and other state funded living arrangements. Services are provided both directly by staff and by contract agencies. As they complete each phase of the training, youth receive a stipend. In addition, youth ages 18-21 who were formerly in care may receive room and board assistance for a limited time.

Private Child Caring/Child Placing services and emergency shelter services are essential components of a protective service program that provides temporary placement services for children who are unable to remain in their own homes because of severe abuse, neglect, exploitation, abandonment, and/or because they have specialized treatment needs.

Adoption is the legal process by which a child becomes a legal child of a person or persons other than his/her biological parents. The department provides services prior to adoption in order to bring children and families together and services after adoption through after-placement supervisory services and adoption assistance.

Intensive Family Based Services are cost effective, home-based alternatives to institutionalization for children who are dually diagnosed. Services are provided through contracts with local comprehensive care centers or other appropriate contractor and may include in-home services, family therapy, respite care, behavior management and consultation, and individual counseling.

Psychiatric services provide 24-hour care to DCBS committed children and youth with behavioral health or mental health issues. Services are provided by various psychiatric hospitals and psychiatric residential treatment facilities throughout Kentucky.

Policy

The Executive Budget provides an additional \$400,000 General fund in each fiscal year to support the Fostering for Success Program within Community Based Services.

The Executive Budget includes \$12,500,000 General Fund each fiscal year providing social worker and supervisor salary increases to raise social worker retention.

The Executive Budget includes \$16,400,000 General Fund for additional Social Worker and administrative support positions within Community Based Services to improve workforce, upgrade technology and address caseload levels.

The Executive Budget provides Phase I Tobacco Settlement Funds in the amount of \$2,500,000 in each fiscal year for the Early Childhood Adoption & Foster Care Program.

**Health and Family Services
Aging and Independent Living**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	42,716,800	54,644,000	55,125,200	43,742,400	43,937,800
Budget Reduction-General Fund	-77,600				
Reorganization Adjustment	-52,600				
Total General Fund	42,586,600	54,644,000	55,125,200	43,742,400	43,937,800
Restricted Funds					
Balance Forward	2,056,800	2,165,400	2,274,000	2,165,400	2,159,900
Current Receipts	1,568,400	1,568,400	1,568,400	1,568,400	1,568,400
Non-Revenue Receipts	1,724,600	1,724,600	1,724,600	1,724,600	1,724,600
Total Restricted Funds	5,349,800	5,458,400	5,567,000	5,458,400	5,452,900
Federal Fund					
Current Receipts	24,811,800	24,810,100	24,810,100	24,810,100	24,810,100
Non-Revenue Receipts	17,500	19,200	19,200	19,200	19,200
Total Federal Fund	24,829,300	24,829,300	24,829,300	24,829,300	24,829,300
TOTAL SOURCE OF FUNDS	72,765,700	84,931,700	85,521,500	74,030,100	74,220,000
EXPENDITURES BY CLASS					
Personnel Costs	14,473,200	19,633,700	20,010,900	15,478,400	15,684,100
Operating Expenses	2,193,400	2,185,500	2,185,500	2,196,500	2,196,500
Grants Loans Benefits	53,933,700	60,838,500	60,838,500	54,195,300	54,195,300
Debt Service			104,000		
TOTAL EXPENDITURES	70,600,300	82,657,700	83,138,900	71,870,200	72,075,900
EXPENDITURES BY FUND SOURCE					
General Fund	42,586,600	54,644,000	55,125,200	43,742,400	43,937,800
Restricted Funds	3,184,400	3,184,400	3,184,400	3,298,500	3,308,800
Federal Fund	24,829,300	24,829,300	24,829,300	24,829,300	24,829,300
TOTAL EXPENDITURES	70,600,300	82,657,700	83,138,900	71,870,200	72,075,900
EXPENDITURES BY UNIT					
Aging and Independent Living	60,132,100	67,709,300	67,991,900	60,056,200	60,136,300
Guardianship	10,468,200	14,948,400	15,147,000	11,814,000	11,939,600
TOTAL EXPENDITURES	70,600,300	82,657,700	83,138,900	71,870,200	72,075,900

The Department for Aging and Independent Living (DAIL) sets policies and oversees programs for Kentucky's elderly and physically disabled citizens. The programs administered by the Department benefit Kentuckians by contributing to building self-sustaining families and improving the quality of life through an array of community-based services designed to help older persons, individuals with physical disabilities, and wards of the state to be as independent as possible in the least restrictive environment. Department programs also provide counseling and support services to family caregivers to enable them to provide quality care to older persons while fulfilling other family and employment responsibilities. In carrying out its programs, DAAL emphasizes successful aging, independent living, planning for an aging society, and continued involvement of older persons, adult wards of the state and physically disabled individuals in every aspect of the community. There are two program budget units within DAAL: Aging and Independent Living Services and Guardianship Services.

**Health and Family Services
Aging and Independent Living
Aging and Independent Living**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	33,882,000	41,357,700	41,640,300	33,627,900	33,701,100
Budget Reduction-General Fund	-48,900				
Reorganization Adjustment	-52,600				
Total General Fund	33,780,500	41,357,700	41,640,300	33,627,900	33,701,100
Restricted Funds					
Balance Forward	973,500	1,292,100	1,610,700	1,292,100	1,534,000
Current Receipts	529,000	529,000	529,000	529,000	529,000
Non-Revenue Receipts	1,438,000	1,438,000	1,438,000	1,438,000	1,438,000
Total Restricted Funds	2,940,500	3,259,100	3,577,700	3,259,100	3,501,000
Federal Fund					
Balance Forward	-10,700				
Current Receipts	24,713,900	24,703,200	24,703,200	24,703,200	24,703,200
Total Federal Fund	24,703,200	24,703,200	24,703,200	24,703,200	24,703,200
TOTAL SOURCE OF FUNDS	61,424,200	69,320,000	69,921,200	61,590,200	61,905,300
EXPENDITURES BY CLASS					
Personnel Costs	6,261,200	7,419,000	7,597,600	6,153,400	6,233,500
Operating Expenses	207,400	207,000	207,000	219,500	219,500
Grants Loans Benefits	53,663,500	60,083,300	60,083,300	53,683,300	53,683,300
Debt Service			104,000		
TOTAL EXPENDITURES	60,132,100	67,709,300	67,991,900	60,056,200	60,136,300
EXPENDITURES BY FUND SOURCE					
General Fund	33,780,500	41,357,700	41,640,300	33,627,900	33,701,100
Restricted Funds	1,648,400	1,648,400	1,648,400	1,725,100	1,732,000
Federal Fund	24,703,200	24,703,200	24,703,200	24,703,200	24,703,200
TOTAL EXPENDITURES	60,132,100	67,709,300	67,991,900	60,056,200	60,136,300

The Department for Aging and Independent Living is designated as the State Unit on Aging by the Federal Administration on Aging. In accordance with the Older Americans Act Amendments of 1965 as amended through December 2006 and 45 CFR 1321. The Aging and Independent Living program is responsible for aging issues on behalf of all older persons in Kentucky. It is required to carry out a wide range of functions related to service delivery, advocacy, planning, coordination, interagency linkages, information-sharing, community preparedness, brokering, and evaluation. These functions are intended to focus on the development or enhancement of comprehensive and coordinated community-based service systems designed to help elderly and physically disabled adult Kentuckians maintain independence and dignity in their own homes and communities. This focus on community-based alternatives is consistent with Kentucky's plan developed in response to the Supreme Court's Olmstead decision and the State Plan on Aging.

The Aging and Independent Living program administers statewide services; develops the State Plan on Aging; allocates funds to the 15 Area Agencies on Aging and Independent Living (AAA) as well as 14 Community Mental Health Centers (CMHCs) for the Hart Supported Living Program; and approves AAA program plans, amendments, budgets, and contracts for local provision of aging and physical disabilities services. It provides education, training, benefits counseling, information and assistance to respond to the needs of senior citizens and those with physical disabilities.

The services administered to achieve these goals include:

- Title III Older Americans Act Nutritional Services provided through agreements with the AAA's include the Nutritional Services Incentive Program: For persons ages 60 and over, provides congregate meals at senior centers and home-delivered meals to the homebound elderly in each Kentucky county
- Senior Community Service Employment Program (Title V): Employs persons age 55 and older who have incomes at or below 125% of the poverty level in part-time non-profit community work, such as senior citizens centers, with the goals of training and eventual placement in unsubsidized employment.
- State Health Insurance Assistance Program (SHIP): (Section 4360 OBRA 1990, PL 101-508) provides benefits counseling and assistance to aged and disabled Medicare eligible persons through a federal Health Care Financing Administration Grant.

- Long-Term Care Ombudsman Program: On behalf of long-term care residents and their families, this program receives and investigates all complaints and problems of residents of nursing homes and personal care homes in Kentucky. The program assists in protecting the health, safety, welfare and rights of elderly Kentuckians in long term facilities.
- Aging and Disability Resource Center (ADRC): (Sec 1110 SS Act and 42 USC 3031-3037B) provides a single point of entry to services and supports for individuals who require assistance due to need or disability, regardless of age.
- Homecare Program (KRS 205.445-465): A state-funded alternative in-home program for frail and vulnerable persons 60 years and older who have functional or physical limitations and are at risk of institutionalization. Homecare provides essential services designed to delay or prevent institutionalization, including homemaker/personal care, homemaker/home management, home health aide, home-delivered meals, home-repair, chore, respite, and escort services.
- Nursing Home Diversion is a consumer directed model that provides a community based case approach to the state funded Homecare Program.
- Hart Supported Living (KRS 210.770-795): A state funded program that is intended to address service gaps not covered by other funding sources such as Medicaid waiver services. The program provides services which enable a person with disabilities to live in a home of the person's choice which is typical of those living arrangements in which persons without disabilities reside, encourages the individual's integrated participation in the community, promotes the individual's rights and autonomy, enhances the individual's skills and competencies in living in the community and enables the individual's acceptance in the community by promoting home ownership or leasing arrangements in the name of the individual or the individual's family or guardian.
- Personnel Care Attendant Program (PCAP) for Physically Disabled Adults (KRS 205.900): A state funded program that provides personal care assistant services and case management services to severely physically disabled adults, age 18 and over, who have functional loss of two or more limbs and need the services to prevent institutionalization or to leave an institutional setting.
- Adult Day and Alzheimer's Respite (KRS 209): Provides programs for day-long care and supervision for persons 60 and over who, because of physical, mental, and/or psychological limitations, cannot remain in their own homes alone during the day.
- Kentucky Caregiver Program (910 KAR 1:260): A state funded program that provides assistance to Grandparents caring for grandchildren under the age of 18. The program provides information services, individual counseling, caregiver training, and funds (limited to not more than \$500 per grandchild and no more than \$1,500 per household per fiscal year) for defraying the costs of caring for the grandchild that could include purchase of clothing, educational supplies or assistance, certain legal services, medical services not related to co-pays and premiums, and other services as authorized by the Area Agency on Aging.
- Family Caregiver Support Program: A federally funded program serving family and informal caregivers who provide care to people over 60 or an individual of any age with Alzheimer or a related diagnosis, as well as grandparents and other relatives over 55 who provide care to children up to age 19.
- Traumatic Brain Injury Trust Fund Program (KRS 42.320): A state program that provides assistance to children and adults with brain injuries. The TBI Trust Fund Program is a funding source of last resort for Kentucky residents. The TBI Trust Fund draws its funds primarily from court fees, traffic school fees and DUI service fees. The fund can also accept contributions and grants. The fund is administered by a Board of Directors to assure that individuals with a brain injury and their families are provided services and supports to promote independence and personal productivity.
- Traumatic Brain Injury Behavioral Program (KRS 189A.050): This program is funded through DUI fees and serves persons affected by Traumatic Brain Injury who are in need of behavioral services. Services are provided through crisis intervention, residential treatment, targeted case management, and other wraparound services.
- The Consumer Directed Option (CDO): The program gives Medicaid waiver members more choices in the way some Medicaid services are provided. The client can choose who will provide services they need as well as how, when, and where these services will be provided
- Adult Day Certification (KRS 205.950): The Department for Aging and Independent Living certifies Adult Day Social Model programs to assure quality standards are met for the client.
- Assisted Living Certification (KRS 194A.707): The Department of Aging and Independent Living certifies Social Model Assisted Living Communities to assure compliance with state statutes and regulations. The cost of administering the program is partially covered through fees charged to social assisted living communities.
- Alzheimer's disease and Related Advisory Council (KRS 194.600-609): Oversees information and resources related to policy and services affecting the sixty thousand (60,000) residents of Kentucky with dementia, and the caregivers and families of the residents.
- Preventive Health: Provides disease prevention, education and assistance in training and care of elderly Kentuckians on health related issues.
- Supportive Services: For persons over 60, these include: assessment/case management, transportation, escort to medical facilities, stores and other service delivery points: information, assistance and referral:

homecare and other in-home services; health promotion; visiting and telephone reassurance; legal assistance, counseling; education; advocacy; respite; preventive health services; elder abuse prevention programs; supportive services for families of elderly victims of Alzheimer's and related disorders.

**Health and Family Services
Aging and Independent Living
Guardianship**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	8,834,800	13,286,300	13,484,900	10,114,500	10,236,700
Budget Reduction-General Fund	-28,700				
Total General Fund	8,806,100	13,286,300	13,484,900	10,114,500	10,236,700
Restricted Funds					
Balance Forward	1,083,300	873,300	663,300	873,300	625,900
Current Receipts	1,039,400	1,039,400	1,039,400	1,039,400	1,039,400
Non-Revenue Receipts	286,600	286,600	286,600	286,600	286,600
Total Restricted Funds	2,409,300	2,199,300	1,989,300	2,199,300	1,951,900
Federal Fund					
Balance Forward	10,700				
Current Receipts	97,900	106,900	106,900	106,900	106,900
Non-Revenue Receipts	17,500	19,200	19,200	19,200	19,200
Total Federal Fund	126,100	126,100	126,100	126,100	126,100
TOTAL SOURCE OF FUNDS	11,341,500	15,611,700	15,600,300	12,439,900	12,314,700
EXPENDITURES BY CLASS					
Personnel Costs	8,212,000	12,214,700	12,413,300	9,325,000	9,450,600
Operating Expenses	1,986,000	1,978,500	1,978,500	1,977,000	1,977,000
Grants Loans Benefits	270,200	755,200	755,200	512,000	512,000
TOTAL EXPENDITURES	10,468,200	14,948,400	15,147,000	11,814,000	11,939,600
EXPENDITURES BY FUND SOURCE					
General Fund	8,806,100	13,286,300	13,484,900	10,114,500	10,236,700
Restricted Funds	1,536,000	1,536,000	1,536,000	1,573,400	1,576,800
Federal Fund	126,100	126,100	126,100	126,100	126,100
TOTAL EXPENDITURES	10,468,200	14,948,400	15,147,000	11,814,000	11,939,600

Kentucky's Adult Guardianship Services Program is administered as authorized in KRS 210.290 and 387.500-387.900. Individuals are served by staff in both central office and nine regional offices. This Program provides a legal relationship between a court-appointed adult who assumes the responsibility of being the guardian for a ward. A ward is a person who has been declared "legally disabled" by the court and is no longer able to care for his or her personal and/or financial needs.

Appointed guardians may be a friend or family member who is willing to serve in this capacity on behalf of the disabled individual. If there is no one willing to assume guardianship for the disabled person, the court will appoint the Cabinet for Health and Family Services as the state guardian. The duties of the state guardian include:

- Full Guardianship/Full Conservator – In this category the Cabinet will be responsible for both the personal and financial needs of the ward. In this case, the court will also decide which civil rights the person can retain and which are given to the guardian. These may include the right to vote, the right to drive a car, the right to make medical decisions, the right to determine where to live, the right to sell property, and the right to sign legal documents such as checks, marriage licenses or wills.
- Limited Guardian – A limited guardian may be appointed if the disabled person is declared partially disabled and can manage some personal needs but may need assistance with others.
- Conservator – A conservator may be appointed if the disabled person needs help only with managing financial or fiduciary affairs.
- Conservator/Guardian - This category allows for a combination of a conservator who manages financial and fiduciary affairs with a guardian who manages living and personal needs arrangements.

Policy

The Executive Budget includes General Fund of \$1,600,000 in each fiscal year for the Guardianship Program within the Department for Aging and Independent Living for social workers/field workers to address caseload levels.

Health and Family Services
Health Benefit and Information Exchange

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	606,900	42,700	4,500	42,700	4,500
Non-Revenue Receipts	4,261,000	5,025,700	5,096,000	5,025,700	5,096,000
Total Restricted Funds	4,867,900	5,068,400	5,100,500	5,068,400	5,100,500
Federal Fund					
Balance Forward	-800				
Current Receipts	727,000				
Non-Revenue Receipts	800				
Total Federal Fund	727,000				
TOTAL SOURCE OF FUNDS	5,594,900	5,068,400	5,100,500	5,068,400	5,100,500
EXPENDITURES BY CLASS					
Personnel Costs	4,123,200	3,868,600	3,905,200	3,858,100	3,878,900
Operating Expenses	1,099,000	870,300	870,300	966,500	966,500
Grants Loans Benefits	330,000	325,000	325,000	239,300	255,100
TOTAL EXPENDITURES	5,552,200	5,063,900	5,100,500	5,063,900	5,100,500
EXPENDITURES BY FUND SOURCE					
Restricted Funds	4,825,200	5,063,900	5,100,500	5,063,900	5,100,500
Federal Fund	727,000				
TOTAL EXPENDITURES	5,552,200	5,063,900	5,100,500	5,063,900	5,100,500
EXPENDITURES BY UNIT					
Health Benefit Exchange	5,552,200	5,063,900	5,100,500	5,063,900	5,100,500
TOTAL EXPENDITURES	5,552,200	5,063,900	5,100,500	5,063,900	5,100,500

The Kentucky Office of Health Benefit Exchange (KOHBE) oversees Kentucky's online health benefit exchange where individuals can learn how to enroll in health coverage, pre-screen to find out what financial aid they may be eligible for and find help in their communities to fill out applications or pick a plan. The KOHBE has an executive director and two divisions: Division of Health Care Policy, Education and Outreach Administration, and Division of Operations and Kentucky Access.

The Kentucky Health Information Exchange (KHIE) was created to serve as a focal point for e-health initiatives in the Commonwealth. The KHIE helps health care providers in utilizing health technology to improve patient care, reduce medical errors, and make more efficient use of resources by reducing redundant services.

Justice and Public Safety

Justice and Public Safety

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	768,568,600	1,041,894,900	1,050,249,700	921,362,300	938,831,000
Current Year Appropriation	8,301,800				
Budget Reduction-General Fund	-7,356,600				
Total General Fund	769,513,800	1,041,894,900	1,050,249,700	921,362,300	938,831,000
Tobacco Fund					
Tobacco Settlement - Phase I	1,769,800	1,769,800	1,769,800	10,807,100	9,937,600
Current Year Appropriation	13,979,500				
Continuing Approp-Tob Settlement	668,600				
Total Tobacco Fund	16,417,900	1,769,800	1,769,800	10,807,100	9,937,600
Restricted Funds					
Balance Forward	29,784,000	12,848,600	14,307,700	28,131,200	23,088,300
Current Receipts	48,813,200	51,649,500	51,087,500	51,539,600	51,793,100
Non-Revenue Receipts	94,566,300	105,133,800	105,241,400	109,521,900	110,210,500
Fund Transfers	-1,500,000				-945,000
Total Restricted Funds	171,663,500	169,631,900	170,636,600	189,192,700	184,146,900
Federal Fund					
Balance Forward	1,783,500	160,800	74,800	160,800	74,800
Current Receipts	47,724,600	75,792,100	100,767,700	75,768,600	100,730,700
Non-Revenue Receipts	-743,100				
Total Federal Fund	48,765,000	75,952,900	100,842,500	75,929,400	100,805,500
Road Fund					
Regular Appropriation	88,596,700	123,682,900	127,530,400	105,278,800	106,762,100
Total Road Fund	88,596,700	123,682,900	127,530,400	105,278,800	106,762,100
TOTAL SOURCE OF FUNDS	1,094,956,900	1,412,932,400	1,451,029,000	1,302,570,300	1,340,483,100
EXPENDITURES BY CLASS					
Personnel Costs	606,640,000	803,468,000	812,806,100	711,025,300	708,292,200
Operating Expenses	120,289,800	137,875,900	138,434,100	124,524,300	124,898,000
Grants Loans Benefits	332,352,200	423,018,400	471,156,900	422,712,700	463,573,800
Debt Service	218,500	17,677,100	3,400,300	3,671,400	7,157,100
Capital Outlay	7,164,400	16,510,500	9,812,000	17,473,500	12,007,000
TOTAL EXPENDITURES	1,066,664,900	1,398,549,900	1,435,609,400	1,279,407,200	1,315,928,100
EXPENDITURES BY FUND SOURCE					
General Fund	769,513,800	1,041,894,900	1,050,249,700	921,362,300	938,831,000
Tobacco Fund	16,417,900	1,769,800	1,769,800	10,807,100	9,937,600
Restricted Funds	143,532,300	155,324,200	155,275,200	166,104,400	159,650,100
Federal Fund	48,604,200	75,878,100	100,784,300	75,854,600	100,747,300
Road Fund	88,596,700	123,682,900	127,530,400	105,278,800	106,762,100
TOTAL EXPENDITURES	1,066,664,900	1,398,549,900	1,435,609,400	1,279,407,200	1,315,928,100
EXPENDITURES BY UNIT					
Justice Administration	71,424,500	91,583,700	116,934,500	97,180,000	121,488,200
Criminal Justice Training	69,289,800	83,105,700	83,217,700	86,168,300	83,852,700
Juvenile Justice	105,916,500	139,104,500	141,823,300	123,138,000	124,145,900
State Police	227,495,900	297,657,200	287,137,000	273,980,900	265,425,900
Corrections	531,753,900	692,877,800	707,229,500	627,497,200	648,918,200
Public Advocacy	60,784,300	94,221,000	99,267,400	71,442,800	72,097,200
TOTAL EXPENDITURES	1,066,664,900	1,398,549,900	1,435,609,400	1,279,407,200	1,315,928,100

The Kentucky Justice Cabinet was established in 1974 and was renamed the Justice and Public Safety Cabinet in 2007. The Cabinet is responsible for criminal justice services throughout the Commonwealth of Kentucky, including law enforcement, law enforcement training, adult and juvenile incarceration, and public advocacy. The Cabinet provides overall leadership, policy direction and training for six departments and multiple public agencies and boards, with a focus on prevention, treatment, law enforcement and preparing offenders for reentry into society with acquired skills to facilitate non-criminal behavior.

The Cabinet is comprised of six departments:

- Department of Justice Administration
- Department for Public Advocacy
- Department of Kentucky State Police
- Department of Juvenile Justice
- Department of Criminal Justice Training
- Department of Corrections

The mission of the Justice and Public Safety Cabinet is to ensure the safety and security of Kentucky communities through a fair and impartial administration of taxpayer resources. The approach centers on protecting citizens, restoring victims and reforming wrongdoers, all in a focused environment where everything is measured for accountability and performance. The Cabinet seeks the best possible return from our public safety investment, using evidence-based programs, fiscal discipline, and data-driven strategies. Likewise, the Cabinet is committed to holding offenders to the highest standards of personal accountability and responsibility.

The vision of the Justice and Public Safety Cabinet is to remain a national leader in criminal justice while focusing our limited resources on the most effective strategies to reduce crime and protect public safety. This involves a comprehensive effort to right-size corrections, enhance re-entry programs, and reinvest any savings into law enforcement, community supervision, and better drug interventions. The Cabinet will empower and support victims, and demand that offenders learn productive skills to support themselves after release.

The Justice and Public Safety Cabinet core values include:

Public Safety: Our first obligation and highest priority is to protect the safety and security of Kentucky families and communities.

Government Accountability: We will perform all of our duties with the highest level of ethical and fiscal discipline, setting clear, measurable goals and continually evaluating our performance against those objectives.

Data-Driven Decision Making: We will administer justice using the best data, evidence, and policy expertise available to drive favorable outcomes.

Transparency: We will endeavor in every way to engage with Kentucky taxpayers, families, stakeholders, and all other members of the public, providing information in a timely and accurate manner and develop public confidence in our work.

Impartiality: We will provide a fair and impartial system of justice to all Kentuckians.

Justice and Public Safety

Justice Administration

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	31,855,000	35,654,900	35,975,200	31,945,900	32,104,200
Budget Reduction-General Fund	-1,368,500				
Total General Fund	30,486,500	35,654,900	35,975,200	31,945,900	32,104,200
Tobacco Fund					
Tobacco Settlement - Phase I	1,769,800	1,769,800	1,769,800	10,807,100	9,937,600
Current Year Appropriation	13,979,500				
Continuing Approp-Tob Settlement	668,600				
Total Tobacco Fund	16,417,900	1,769,800	1,769,800	10,807,100	9,937,600
Restricted Funds					
Balance Forward	2,931,000	2,458,100	2,490,700	2,458,100	2,449,200
Current Receipts	1,464,200	1,148,800	1,248,800	1,148,800	1,248,800
Non-Revenue Receipts	1,404,300	1,389,400	1,392,700	1,639,400	1,642,700
Total Restricted Funds	5,799,500	4,996,300	5,132,200	5,246,300	5,340,700
Federal Fund					
Balance Forward	1,647,200	102,600	16,600	102,600	16,600
Current Receipts	19,634,100	51,567,400	76,664,000	51,543,900	76,627,000
Total Federal Fund	21,281,300	51,670,000	76,680,600	51,646,500	76,643,600
TOTAL SOURCE OF FUNDS	73,985,200	94,091,000	119,557,800	99,645,800	124,026,100
EXPENDITURES BY CLASS					
Personnel Costs	15,193,500	18,580,500	19,058,800	16,595,200	16,922,600
Operating Expenses	1,836,100	1,987,500	1,937,500	1,356,800	1,347,000
Grants Loans Benefits	54,369,900	71,015,700	95,938,200	79,228,000	103,218,600
Capital Outlay	25,000				
TOTAL EXPENDITURES	71,424,500	91,583,700	116,934,500	97,180,000	121,488,200
EXPENDITURES BY FUND SOURCE					
General Fund	30,486,500	35,654,900	35,975,200	31,945,900	32,104,200
Tobacco Fund	16,417,900	1,769,800	1,769,800	10,807,100	9,937,600
Restricted Funds	3,341,400	2,505,600	2,508,900	2,797,100	2,802,800
Federal Fund	21,178,700	51,653,400	76,680,600	51,629,900	76,643,600
TOTAL EXPENDITURES	71,424,500	91,583,700	116,934,500	97,180,000	121,488,200
EXPENDITURES BY UNIT					
Secretary	5,929,600	7,869,800	7,991,400	6,550,700	6,635,500
Office of Drug Control Policy	18,516,300	3,921,600	3,929,600	12,830,700	11,968,400
Medical Examiner Program	4,770,900	5,442,100	5,533,400	4,891,100	4,940,100
Parole Board	1,056,300	1,253,700	1,284,200	1,185,700	1,202,500
Grants	23,835,700	54,332,700	79,365,300	54,237,200	79,254,600
Criminal Justice Council	352,000	257,000	257,000	257,000	257,000
Motorcycle Training Program	900,000	900,000	900,000	900,000	900,000
Access to Justice	563,700	682,500	682,500		
Substance Abuse Initiatives	15,500,000	16,924,300	16,991,100	16,327,600	16,330,100
TOTAL EXPENDITURES	71,424,500	91,583,700	116,934,500	97,180,000	121,488,200

The Department of Justice Administration (DJA), within the Justice and Public Safety Cabinet and under the authority of KRS 15A, provides leadership, strategic planning and administrative support for all agencies within the Justice Cabinet. The functions located within DJA are outlined below.

The Office of the Secretary under KRS 15A.020 is charged with housing a variety of administrative, financial, investigative and legal functions that perform key oversight activities for the Department and the Cabinet. The associated offices and branches are outlined below:

The Office of the Secretary under KRS 15A.020 is charged with housing a variety of administrative, financial, investigative and legal functions that perform key oversight activities for the Department and the Cabinet. The associated offices and branches are outlined below:

Office of the Secretary, which is headed the Deputy Secretary, appointed pursuant to KRS 12.050, and is responsible for the direct administrative support for the Secretary.

The Office of Management and Administrative Services (OMAS) is responsible for all matters relating to human resources, state and federal grants management, management of daily operations, information processing, fiscal function and administrative services for the Justice and Public Safety Cabinet. As one of the largest Cabinets in state government with nearly 8,000 employees, the OMAS provides management support and oversight to over five departments with combined funding near \$1 billion, including \$40-\$45 million in annual state and federal grants programs.

The Office of Legal Services is dedicated to providing quality legal services for the Justice and Public Safety Cabinet. As one of the largest Cabinets in state government and responsibility for the Commonwealth's criminal justice services, the Justice and Public Safety Cabinet and its employees face a wide range of legal issues every day. Attorneys in the office provide legal assistance to the Cabinet's officers, employees, and departments on a myriad of issues, such as employment and administrative law matters, regulatory and statutory interpretation, legislative initiatives, and a wide range of civil legal questions. They also provide representation before administrative bodies and in state and federal court in any matters that involve the Cabinet.

The mission of the Internal Investigations Branch is to serve the citizens of the Commonwealth of Kentucky by receiving and investigating certain limited allegations involving abuse of juveniles committed to, or in the custody of, the Department of Juvenile Justice and investigating administrative violations within the Justice and Public Safety Cabinet as determined by the Cabinet Secretary. Allegations that meet certain criteria are assigned for investigation. Investigations are conducted for administrative purposes and if criminal violations are discovered, the allegation is referred to law enforcement. The duties of the office have expanded to include investigating allegations within the Justice and Public Safety Cabinet with the exception of the Kentucky State Police and with certain restrictions in the Department of Public Advocacy. In 2008, the Internal Investigations Branch was assigned the responsibility for conducting background investigations on applicants for commission as Special Law Enforcement Officers (SLEO) and Special Local Peace Officers (SLPO). Once commissioned, these officers have full law enforcement authority on their designated properties only. SLPOs are commissioned for duty on private property; SLEOs are commissioned for duty on public property.

The Office of Legislative and Intergovernmental Services is responsible for all matters relating to the provision of support to the Criminal Justice Council, legislative liaison services, and functions and duties vested in the Criminal Justice Council as described in KRS 15A.030.

The Child Fatality and Near Fatality External Review Panel was created and established by Kentucky Revised Statutes 620.055 for the purpose of conducting comprehensive reviews of child fatalities and near fatalities suspected to be the result of abuse or neglect. The Panel is a twenty-member multidisciplinary team of professionals including representatives from the medical, social services, mental health, legal, and law enforcement communities, as well as others who work with and on behalf of Kentucky's children. The Panel reviews official records and other relevant information received from a variety of sources: The Cabinet for Health and Family Services, the Department for Juvenile Justice, medical records including autopsy reports, law enforcement records and records held by a Family, Circuit or District Court. The purpose of these reviews is to become aware of systemic deficits and to make recommendations for improvements to help prevent child fatalities and near fatalities due to abuse or neglect.

The Justice and Public Safety Cabinet, pursuant to KRS 15A.020, is responsible for housing the Office of the Kentucky State Medical Examiner, which is headed by the Chief Medical Examiner for the Commonwealth of Kentucky. The office is responsible for all matters relating to forensic pathology and forensic toxicology. Recognized as national leaders in their respective field, the scientific staff members of the Kentucky Office of the Medical Examiner provide death investigation services and forensic autopsy services for deaths that occur in Kentucky when authorized by County Coroners or the Court. All deaths that are sudden or unexpected or occur from other than natural causes must be reported to the County Coroner, who then may authorize a postmortem examination by the Kentucky Medical Examiner's Office. The goal of the Medical Examiner's Office is to assist county coroners, families, law enforcement agencies and the legal system by determining a scientifically unbiased and logical cause and manner of death.

The Kentucky Parole Board is an independent, autonomous agency attached in administrative capacity to the Justice & Public Safety Cabinet under KRS 439.330. The Kentucky Parole Board consists of nine full-time members whose

primary responsibility is to grant and revoke parole for adult felony offenders incarcerated in Kentucky correctional institutions. The purpose of the Parole Board is to determine if, when and under what circumstances the best interest of society will be served by allowing an offender to serve a portion of his/her sentence in the community under supervision and conditions of parole. Parole is the process that endeavors to reintegrate the offender from incarceration back into society, before restoring complete freedom.

The Justice and Public Safety Cabinet is responsible for establishing the Criminal Justice Council (CJC) pursuant to KRS 15A.075. Since its creation in 1998, the Kentucky Criminal Justice Council has established a neutral forum for discussion of systemic issues by a diverse group of state and local criminal justice professionals. As a statewide criminal justice coordinating body, the Council works to develop a better understanding of the nature of crime across the different regions of the state; to develop clearer goals and system priorities; to promote coordination among the components of the justice system; and to promote effective utilization of limited resources.

Under the provisions of KRS 15A.150, the Justice and Public Safety Cabinet shall administer all state and federally funded grant programs related to criminal justice. The Grants Management Branch (GMB) located within Justice Administration serves as the designated State Agency Administrator for criminal justice discretionary and formula grants issued by the U.S. Department of Justice and certain state funds for similar purposes. Originally established in 1968 as part of the Kentucky Crime Commission, GMB is now located within the Office of the Secretary, Office of Management and Administrative Services, Kentucky Justice and Public Safety Cabinet. Major current funding programs administered include: Byrne Memorial Justice Assistance Grants (JAG), Victims of Crime Act (VOCA) grants, and the Violence Against Women Act (VAWA) grants. The Branch also manages Discretionary grant awards for forensic science projects, PREA compliance and training, substance abuse treatment and training, rape kit backlog testing. Programs are administered according to funding source guidelines, applicable statutes, state and agency priorities and policies.

In August of 2004, a 51-member team of state, federal and local officials in substance abuse prevention-education, treatment and enforcement recommended the creation of the Office of Drug Control Policy (ODCP). Pursuant to KRS 15A.020 the Justice and Public Safety Cabinet is responsible for housing the ODCP which is tasked to coordinate Kentucky's response to substance abuse. The goal of the ODCP is to change the way substance abuse is handled, reduce the problem and make the Commonwealth a model for other states. They have joined prevention/education, treatment, and law enforcement in a united effort to confront the epidemic and have made great strides.

The Access to Justice Foundation is a poverty law resource center dedicated to providing opportunity for quality civil legal assistance for low-income Kentuckians. This is accomplished by supporting Kentucky's four Legal Services programs and pro bono lawyers and promoting awareness in the legal community of the need for volunteers to assist poor Kentuckians in civil matters.

Senate Bill 192 as enacted by the General Assembly in the 2015 Regular Session provided up to \$10 million for Substance Abuse Initiatives during Fiscal Year 2016. Additionally, funding in the amount of \$15.7 million for Fiscal Year 2017 and \$16.3 million for Fiscal Year 2018 was enacted during the 2016 Regular Session in House Bill 303. The Substance Abuse Initiatives funding is housed within Justice Administration and falls under the administrative oversight of the Office of Drug Control Policy.

KRS 15A.350 requires that the Justice and Public Safety Cabinet establish a motorcycle safety education program which provides instructor training courses, instructor approval, and rider training courses for novice riders that are held at locations throughout the state. The program provides the following: rider training courses for experienced riders; activities to increase the awareness of a motorcyclist's knowledge of the effects of alcohol and drug use; driver improvement efforts; licensing improvement efforts; program promotion activities; enhancement of the public's awareness of motorcycles; and enhancement of motorcycle safety through education.

Policy

The Executive Budget includes General Fund resources in the amount of \$2,000,000 in each fiscal year for the Operation UNITE program, funded from the Local Government Economic Development Fund.

The Executive Budget includes General Fund resources in the amount of \$1,500,000 in each fiscal year for the Court Appointed Special Advocate (CASA) program.

The Executive Budget includes additional Phase I Tobacco Settlement Funds in the amount of \$13,979,500 in fiscal year 2017-2018, \$10,807,100 in fiscal year 2018-2019 and \$9,937,600 in fiscal year 2019-2020 for the Office of Drug Control Policy to implement a comprehensive program for addiction and substance abuse recovery, prevention and enforcement.

Heroin legislation was enacted during the 2015 Regular Session in an effort to reduce the trafficking and abuse of heroin and other opiates. It invests 50 percent of the savings realized as a result of the passage of HB 463 in the 2011 Regular Session in an array of substance abuse and criminal justice programs. In fiscal year 2015-2016, it appropriated \$10,000,000 as a necessary government expense. The Secretary of the Justice and Public Safety has authority to determine distribution of these funds among the several substance abuse treatment and prevention efforts. The Executive Budget provides \$16,327,600 in fiscal year 2018-2019 and \$16,330,100 in fiscal year 2019-2020. The amounts will be held in reserve until allocated by the Secretary of the Justice and Public Safety Cabinet.

The Executive Budget provides no funding for the Access to Justice Program.

The Executive Budget provides no funding for the Kentucky Legal Education Opportunity Fund.

**Justice and Public Safety
Criminal Justice Training**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation				47,000	898,000
Total General Fund				47,000	898,000
Restricted Funds					
Balance Forward	9,189,700	1,848,300	1,848,300	14,130,900	11,716,700
Current Receipts	513,300	580,100	587,800	559,900	564,000
Non-Revenue Receipts	73,577,500	82,405,400	82,509,700	83,027,000	86,145,300
Fund Transfers					-945,000
Total Restricted Funds	83,280,500	84,833,800	84,945,800	97,717,800	97,481,000
Federal Fund					
Balance Forward	10,000				
Current Receipts	130,200	120,200	120,200	120,200	120,200
Total Federal Fund	140,200	120,200	120,200	120,200	120,200
TOTAL SOURCE OF FUNDS	83,420,700	84,954,000	85,066,000	97,885,000	98,499,200
EXPENDITURES BY CLASS					
Personnel Costs	25,066,000	35,583,500	36,061,100	33,205,100	31,033,100
Operating Expenses	4,895,500	6,143,400	5,788,600	5,905,700	5,480,900
Grants Loans Benefits	39,101,300	39,020,200	39,020,200	39,650,400	39,650,400
Debt Service		2,131,600	2,120,800	2,178,600	3,018,800
Capital Outlay	227,000	227,000	227,000	5,228,500	4,669,500
TOTAL EXPENDITURES	69,289,800	83,105,700	83,217,700	86,168,300	83,852,700
EXPENDITURES BY FUND SOURCE					
General Fund				47,000	898,000
Restricted Funds	69,149,600	82,985,500	83,097,500	86,001,100	82,834,500
Federal Fund	140,200	120,200	120,200	120,200	120,200
TOTAL EXPENDITURES	69,289,800	83,105,700	83,217,700	86,168,300	83,852,700
EXPENDITURES BY UNIT					
Kentucky Law Enforcement Program Fund	67,900,900	81,536,200	81,625,600	84,660,800	82,332,800
Peace Officer Professional Standards	735,400	869,200	884,100	827,400	835,700
Special Training Programs	653,500	700,300	708,000	680,100	684,200
TOTAL EXPENDITURES	69,289,800	83,105,700	83,217,700	86,168,300	83,852,700

The Department of Criminal Justice Training (DOCJT) is responsible for the training of law enforcement professionals as provided under Kentucky Revised Statutes, Chapters 15, 15A, 16, 70, 71, 72, 95, and KRS 403.785(2), along with 500 KAR 8:010. Basic and specialized training courses are offered to police officers, dispatchers, sheriffs, deputies, coroners, certified court-security officers, school resource officers, and certain other agencies upon request. Course curriculum includes training in basic law enforcement, telecommunications, de-escalation techniques, coroner training, AIDS, post-traumatic stress disorder (PTSD), pediatric-abuse head trauma, child sexual abuse, juvenile crime, domestic violence, sexual assault response, bias-related crimes, penal code and constitutional law, tactical training in rapid response, crisis intervention, response to persons with special needs, professional development, executive and staff training, leadership development, internet crime, and breath testing. Training is conducted at the Training Center on the Eastern Kentucky University campus and at regional sites.

The DOCJT operates two training programs: the Kentucky Law Enforcement Foundation Program Fund (KLEFPF), and the Special Training programs, in addition to the Peace Officers Professional Standards (POPS) program. The KLEFPF agency resources are derived from property and casualty insurance premium surcharge proceeds, which accrue pursuant to KRS 136.392, and are allocated by KRS 42.190 between the KLEFPF and the Kentucky Firefighters Foundation Program Fund. The Department provides entry-level and in-service training for approximately 12,500 seats each year, totaling approximately 600,000 hours of training.

Policy

Notwithstanding KRS 15.470, the Executive Budget includes Restricted Funds for a \$4,000 training incentive stipend and associated fringe benefit costs for state troopers, arson investigators, hazardous devices investigators, legislative security specialists, and Vehicle Enforcement officers within the Kentucky State Police; Horse Park mounted patrol officers; State Park rangers; Agriculture investigators, Charitable Gaming investigators; Alcoholic Beverage Control investigators; Insurance fraud investigators; School Resource Officers and Attorney General investigators. Each eligible peace officer must meet the requirements of Peace Officer Professional Standards Act training. The stipend payments are provided from the Kentucky Law Enforcement Foundation Program Fund (KLEFPF) to approximately 7,570 certified peace officers in the amount of \$49,327,300 in fiscal year 2018-2019 and \$49,327,300 in fiscal year 2019-2020.

The Executive Budget includes \$84,613,800 in fiscal year 2018-2019 and \$81,434,800 in fiscal year 2019-2020 for the Kentucky Law Enforcement Program Fund.

Notwithstanding KRS 15.470, \$1,442,500 in each fiscal year from the Kentucky Law Enforcement Foundation Program Fund is provided to the State Police for lab equipment capital project.

Notwithstanding KRS 15.470, \$3,305,800 in fiscal year 2018-2019 and \$872,800 in fiscal year 2019-2020 from the Kentucky Law Enforcement Foundation Program Fund is provided to the State Police for vehicles.

The Executive Budget includes General Fund debt service in the amount of \$47,000 in fiscal year 2018-2019 and \$898,000 in fiscal year 2019-2020 to support new bonds for capital projects. Notwithstanding KRS 15.470, the Executive Budget includes a restricted fund transfer in the amount of \$945,000 in fiscal year 2019-2020 to the General Fund to cover the debt service payment.

Justice and Public Safety

Juvenile Justice

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	86,234,500	118,304,700	121,482,100	102,235,700	103,697,200
Budget Reduction-General Fund	-4,538,300				
Total General Fund	81,696,200	118,304,700	121,482,100	102,235,700	103,697,200
Restricted Funds					
Balance Forward	3,351,600	612,000	242,200	612,000	139,700
Current Receipts	387,700	387,700	387,700	387,700	387,700
Non-Revenue Receipts	10,269,600	9,500,000	9,500,000	9,500,000	9,500,000
Fund Transfers	-1,500,000				
Total Restricted Funds	12,508,900	10,499,700	10,129,900	10,499,700	10,027,400
Federal Fund					
Balance Forward	58,200	58,200	58,200	58,200	58,200
Current Receipts	12,323,400	10,542,300	10,421,300	10,542,300	10,421,300
Total Federal Fund	12,381,600	10,600,500	10,479,500	10,600,500	10,479,500
TOTAL SOURCE OF FUNDS	106,586,700	139,404,900	142,091,500	123,335,900	124,204,100
EXPENDITURES BY CLASS					
Personnel Costs	88,832,200	118,139,800	120,848,600	107,792,800	109,266,500
Operating Expenses	10,662,900	11,860,800	11,870,800	8,092,900	8,097,800
Grants Loans Benefits	6,202,900	8,885,400	8,885,400	7,033,800	6,563,100
Debt Service	218,500	218,500	218,500	218,500	218,500
TOTAL EXPENDITURES	105,916,500	139,104,500	141,823,300	123,138,000	124,145,900
EXPENDITURES BY FUND SOURCE					
General Fund	81,696,200	118,304,700	121,482,100	102,235,700	103,697,200
Restricted Funds	11,896,900	10,257,500	9,919,900	10,360,000	10,027,400
Federal Fund	12,323,400	10,542,300	10,421,300	10,542,300	10,421,300
TOTAL EXPENDITURES	105,916,500	139,104,500	141,823,300	123,138,000	124,145,900
EXPENDITURES BY UNIT					
Program Management	1,711,500	2,023,000	2,070,300	1,898,000	1,924,400
Program Operations	95,874,800	127,291,300	129,750,400	112,093,300	112,956,800
Support Services	8,330,200	9,790,200	10,002,600	9,146,700	9,264,700
TOTAL EXPENDITURES	105,916,500	139,104,500	141,823,300	123,138,000	124,145,900

The Department of Juvenile Justice operates programs for juvenile crime prevention, detention, and community services, as well as residential facilities for post-adjudicated offenders. All programs are designed primarily for “public” and “youthful” offenders. The Department consists of three programmatic areas: Program Management, Program Operations, and Support Services.

Program Management is comprised of the Commissioner’s Office which provides management and policy direction for the Department: There are three Offices reporting to the Commissioner’s Office: Office of Program Operations, Office of Community and Mental Health Services, and Office of Support Services. The Office of the Commissioner provides staff support for the Commissioner, which includes public information services.

Program Operations consists of the direct services provided to both public and youthful offenders, through Day Treatment Services, Group Homes, Residential Facilities, Community Supervision, Private Child Care Facilities, Detention Facilities, and Alternatives to Detention. The programs are administered on a regional basis, divided into two separate regions.

Day Treatment Services is comprised of five state-owned and 19 contract programs. These programs are the least restrictive, since the youths remain in a home setting during the evening and attend a day treatment program during the day. A court or school system usually refers a youth to serve in these programs. Day Treatment provides educational alternatives, treatment, and counseling for youths between the ages of 12 and 17. The total capacity of the 24 centers is 826 youths.

Group Home Facilities	County	Beds
Ashland	Boyd	8
Bowling Green	Warren	8
Burnside	Pulaski	8
Frenchburg	Menifee	8
Hopkinsville	Christian	8
London	Laurel	8
Middlesboro	Bell	8
Frankfort	Franklin	8
Westport	Jefferson	8

Group Home Beds = 72

Group Homes are community-based residential treatment facilities that generally serve eight youths per home. These programs accept youths between 12-18 years of age who have been committed to the Department as “public” or “youthful” offenders. Group home care serves as an alternative to institutionalization and aims to transition a youth from institutional placement to the community. The total capacity of 9 group homes is 72 youths.

Residential Facilities	City	County	Beds
Northern Kentucky Youth Development Center	Crittenden	Grant	44
Morehead Youth Development Center	Morehead	Rowan	40
Green River Youth Development Center	Cromwell	Butler	40
Mayfield Youth Development Center	Mayfield	Graves	30
Lake Cumberland Youth Development Center	Monticello	Wayne	40
Woodsbend Youth Development Center	West Liberty	Morgan	40
Cadet Leadership Education Program	Jackson	Breathitt	40
Adair Youth Development Center	Columbia	Adair	30

Residential Beds = 304

The 8 state-operated Residential Facilities provide 24-hour care and custody of juveniles who have been committed to the Department as public offenders or sentenced as youthful offenders. These facilities serve youths who are in need of treatment that cannot be provided in their community, or who require placement in a secure setting because they represent a threat to the community. The current capacity of the residential care program is 304 youths.

State-operated Detention Centers	County	Beds
Breathitt Regional Juvenile Detention Center	Breathitt	48
McCracken Regional Juvenile Detention Center	McCracken	48
Campbell Regional Juvenile Detention Center	Campbell	52
Adair Youth Development Center/Regional Juvenile Detention Center	Adair	20
Warren Regional Juvenile Detention Center	Warren	48
Boyd Regional Juvenile Detention Center	Boyd	36
Fayette Regional Juvenile Detention Center	Fayette	60

Detention Beds = 312

Seven state-operated detention centers are currently in operation in Breathitt, McCracken, Campbell, Warren, , Fayette, and Boyd Counties, and twenty beds are available for detention at the youth development center in Adair County. Currently, the state provides detention services to 119 counties. Jefferson County continues to operate a local detention program, and it is approved to use these facilities and receive a subsidy payment from the state of \$94 per day for all public and youthful offenders.

Placements less restrictive than detention facilities are provided through contracts with emergency shelters and foster care providers, electronic monitoring, and tracking services. Departmental staff members are responsible for the assessment of juveniles in the facilities, and the determination of whether an alternative to detention is appropriate.

Private child care facilities and therapeutic foster care programs are utilized to alleviate facility capacity problems and to provide specialized treatment for youths. Approximately 10-30 juveniles are in these programs on any given day.

Community Services provide services to juvenile offenders. Workers in the community offices develop service objectives and comprehensive service plans for juvenile offenders and their families. These workers supervise over 2,525 juvenile offenders and recommend any necessary out-of-home placements.

The Division of Placement Services, included in the Program Operations area, determines appropriate out-of-home placements for youths committed to the Department of Juvenile Justice.

Support Services, which provides administrative support to all organizational units of the Department, includes: Division of Administrative Services, Division of Program Services, Division of Professional Development, and the Division of Medical Services. The Division of Administrative Services consists of five branches: Personnel, Fiscal, Capital Construction and Real Properties, and Information Systems. The Division of Program Services consists of the Quality Assurance Branch, Education Branch, and the Juvenile Detention Alternatives Branch that report directly to the Division Director. The Division of Professional Development consists of the Academy Training Branch and the In-service Training Branch. The Medical Division oversees the medical delivery system throughout the Department.

Policy

The Executive Budget includes General Fund resources in the amount of \$4,800,000 each fiscal year to meet staffing to youth ratios mandated by the Prison Rape Elimination Act.

Justice and Public Safety

State Police

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	98,429,600	134,208,600	119,658,800	123,476,100	116,208,900
Total General Fund	98,429,600	134,208,600	119,658,800	123,476,100	116,208,900
Restricted Funds					
Balance Forward	8,386,600	7,054,100	8,850,400	7,054,100	6,906,600
Current Receipts	18,021,200	18,625,900	18,841,100	18,625,900	18,841,100
Non-Revenue Receipts	9,314,900	11,839,000	11,839,000	15,355,500	12,922,500
Total Restricted Funds	35,722,700	37,519,000	39,530,500	41,035,500	38,670,200
Federal Fund					
Current Receipts	12,544,100	11,097,100	11,097,100	11,097,100	11,097,100
Non-Revenue Receipts	-743,100				
Total Federal Fund	11,801,000	11,097,100	11,097,100	11,097,100	11,097,100
Road Fund					
Regular Appropriation	88,596,700	123,682,900	127,530,400	105,278,800	106,762,100
Total Road Fund	88,596,700	123,682,900	127,530,400	105,278,800	106,762,100
TOTAL SOURCE OF FUNDS	234,550,000	306,507,600	297,816,800	280,887,500	272,738,300
EXPENDITURES BY CLASS					
Personnel Costs	175,894,300	236,209,700	231,485,000	216,661,700	211,696,800
Operating Expenses	44,514,500	46,566,100	45,623,300	43,560,000	42,572,100
Grants Loans Benefits	517,100	731,300	786,100	731,300	786,100
Debt Service				1,125,300	3,375,800
Capital Outlay	6,570,000	14,150,100	9,242,600	11,902,600	6,995,100
TOTAL EXPENDITURES	227,495,900	297,657,200	287,137,000	273,980,900	265,425,900
EXPENDITURES BY FUND SOURCE					
General Fund	98,429,600	134,208,600	119,658,800	123,476,100	116,208,900
Restricted Funds	28,668,600	28,668,600	28,850,700	34,128,900	31,357,800
Federal Fund	11,801,000	11,097,100	11,097,100	11,097,100	11,097,100
Road Fund	88,596,700	123,682,900	127,530,400	105,278,800	106,762,100
TOTAL EXPENDITURES	227,495,900	297,657,200	287,137,000	273,980,900	265,425,900
EXPENDITURES BY UNIT					
Administration	29,553,400	41,012,800	40,927,300	33,502,700	33,721,300
Technical Services	44,982,400	51,989,200	52,199,000	47,533,400	47,926,000
Operations	141,043,700	187,416,500	176,582,800	179,323,400	170,079,600
Commercial Vehicle Enforcement	11,916,400	17,238,700	17,427,900	13,621,400	13,699,000
TOTAL EXPENDITURES	227,495,900	297,657,200	287,137,000	273,980,900	265,425,900

The Kentucky State Police is the statewide law enforcement agency of the Commonwealth. The State Police was established in 1948. State Troopers are assigned to 16 regional posts and Commercial Vehicle Enforcement officers are assigned to 6 regions. The Department is responsible for the enforcement of criminal and traffic laws, along with white-collar crime, organized crime, electronic crime, racketeering, and drug-related crime. The State Police also provide protection for the Governor, Lieutenant Governor, their families, and property. The Kentucky State Police is comprised of four divisions: Administrative, Operations, Technical Services, and Commercial Vehicle Enforcement.

The Administrative Division, which includes the Office of the Commissioner, provides professional support services for the Department. These services include organizational policy, personnel, properties management and supplies, payroll, employee assistance, fiscal, internal investigations, and inspections. Media relations, training, analysis, research, strategic planning, and information coordination are other functions performed in this division. The State Police Drivers Testing Stations, Facilities Security, and Legislative Detail are also part of this division and provide external support to citizens and other public officials of Kentucky.

The Operations Division includes the regional posts and the personnel assigned to each post. State Police posts are maintained in Mayfield, Madisonville, Henderson, Elizabethtown, Bowling Green, Dry Ridge, Frankfort, Campbellsburg, Richmond, Columbia, Morehead, Ashland, Pikeville, Hazard, Harlan, and London. Other functions in this division include Highway Safety, Drug Enforcement Special Investigations, Vehicle Investigation, Critical Incident Response Team, and Special Operations (Hazardous Devices, Special Response Team, and Canine).

The Technical Services Division is responsible for providing technical assistance to all departmental areas, along with outside agencies, concerning electronic crimes examination/analysis, records, communications (including headquarters dispatch), criminal history information, intelligence information, automated fingerprint information, and computer technology needs. The Division also has the responsibility of providing forensic analysis for all law enforcement agencies throughout the Commonwealth. The forensic analysis function is provided through the Central Laboratory in Frankfort as well as Regional Laboratories in Ashland, Louisville, Cold Springs, London, and Madisonville.

The Commercial Vehicle Enforcement Division is responsible for encouraging and promoting a safe driving environment through education and safety awareness while enforcing state and federal laws and regulations, placing special emphasis on commercial vehicles. This Division is staffed with sworn law enforcement officers, regulatory weight and safety inspectors, and civilian staff.

In July 2017, KSP entered into a Memorandum of Agreement (MOA) with the Department of Juvenile Justice (DJJ) to transfer the use of Lincoln Village Juvenile Detention Center, located in Elizabethtown, KY, to KSP for agency use. The mid to long-term plan is to relocate Post 4 Elizabethtown from its current location to Lincoln Village. Additionally, the facility will become multi-use with the KSP Commercial Vehicle Division and a satellite of the KSP Academy using the facility. The potential exists for other KSP/Law Enforcement tenants to occupy the facility. Renovations are currently underway to facilitate the transition of Post 4, and eventually the campus will be re-named to reflect KSP's usages.

Policy

The Executive Budget includes Restricted Funds for a \$4,000 training incentive stipend for state troopers, arson investigators, hazardous devices investigators, legislative security specialist, and Vehicle Enforcement officers within the Kentucky State Police. The stipend payments are provided from the Kentucky Law Enforcement Foundation Fund.

The Executive Budget includes additional General Fund resources in the amount of \$3,305,800 in fiscal year 2018-2019 and \$872,900 in fiscal year 2019-2020 for vehicles. Notwithstanding KRS 15.470, \$3,305,800 in fiscal year 2018-2019 and \$872,800 in fiscal year 2019-2020 from the Kentucky Law Enforcement Foundation Program Fund is provided to the State Police for vehicles.

The Executive Budget includes General Fund debt service in the amount of \$1,125,300 in fiscal year 2018-2019 and \$3,375,800 in fiscal year 2019-2020 to support new bonds for capital projects.

Justice and Public Safety

Corrections

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	501,650,200	665,535,900	679,792,600	598,245,000	619,751,900
Current Year Appropriation	4,501,800				
Budget Reduction-General Fund	-1,449,800				
Total General Fund	504,702,200	665,535,900	679,792,600	598,245,000	619,751,900
Restricted Funds					
Balance Forward	5,917,200	876,100	876,100	3,876,100	1,876,100
Current Receipts	23,718,600	26,298,900	25,517,800	26,209,200	26,247,200
Total Restricted Funds	29,635,800	27,175,000	26,393,900	30,085,300	28,123,300
Federal Fund					
Balance Forward	68,100				
Current Receipts	1,223,900	1,043,000	1,043,000	1,043,000	1,043,000
Total Federal Fund	1,292,000	1,043,000	1,043,000	1,043,000	1,043,000
TOTAL SOURCE OF FUNDS	535,630,000	693,753,900	707,229,500	629,373,300	648,918,200
EXPENDITURES BY CLASS					
Personnel Costs	247,009,200	309,570,200	315,055,100	271,791,400	273,635,100
Operating Expenses	52,251,300	62,491,400	64,254,000	59,155,200	61,051,100
Grants Loans Benefits	232,151,000	303,355,800	326,517,000	296,059,200	313,345,600
Debt Service		15,327,000	1,061,000	149,000	544,000
Capital Outlay	342,400	2,133,400	342,400	342,400	342,400
TOTAL EXPENDITURES	531,753,900	692,877,800	707,229,500	627,497,200	648,918,200
EXPENDITURES BY FUND SOURCE					
General Fund	504,702,200	665,535,900	679,792,600	598,245,000	619,751,900
Restricted Funds	25,759,700	26,298,900	26,393,900	28,209,200	28,123,300
Federal Fund	1,292,000	1,043,000	1,043,000	1,043,000	1,043,000
TOTAL EXPENDITURES	531,753,900	692,877,800	707,229,500	627,497,200	648,918,200
EXPENDITURES BY UNIT					
Corrections Management	10,326,200	14,763,800	15,126,100	12,119,800	12,265,700
Adult Correctional Institutions	293,352,800	400,680,800	409,511,100	344,562,000	365,111,600
Community Services and Local Facilities	211,152,300	256,483,300	261,642,400	255,351,800	256,077,300
Local Jail Support	16,922,600	20,949,900	20,949,900	15,463,600	15,463,600
TOTAL EXPENDITURES	531,753,900	692,877,800	707,229,500	627,497,200	648,918,200

The Department of Corrections, pursuant to KRS 196 - 197, is responsible for the broad range of activities associated with adult criminal incarceration, public safety, inmate rehabilitation, probation and parole, and criminal recidivism. As the largest department in the Justice and Public Safety Cabinet, Corrections has four separate appropriation units: Corrections Management, Community Services and Local Facilities, Adult Institutions, and Local Jail Support. The Department of Corrections utilizes resources from each of these units to provide the necessary balance between public safety and fiscal responsibility. In order to accomplish this, the Department is charged with accommodating a growing inmate population through a balance of community and institutional based solutions.

The Department's core cost driver is the felon population. In the 2011 Regular Session, HB 463 was passed with the intent to decrease the state's prison population; reduce incarceration costs; and implement programs that will reduce crime and increase overall public safety. KRS 196.111 mandates the use of evidence-based practices in the sentencing process for convicted felons and in the decision making process for the supervision and treatment of felons in prison or on probation or parole. HB 463 modified KRS Chapter 218A controlled substance statutes and placed emphasis on probation, diversion, and treatment and diverts savings from the drug law changes to drug treatment programs. Other provisions in KRS 439.335, KRS 439.340, KRS 439.320, and KRS 197.045 emphasize the use of parole to effectuate accelerated parole hearings; to order mandatory reentry supervision release; and to allow for good time credit that reduces the sentence while on parole.

Policy

The Executive Budget incorporates the following array of institutional and community beds to accommodate the projected prison and community felon population under the custody of the Department of Corrections.

2018 - 2020 Felon and Community Beds Forecast

	FY 2018	FY 2019	FY 2020
Felons*	24,467	25,670	26,300
Other**	2,114	2,120	2,120
Total	26,581	27,790	28,420

* The incarcerated felon forecast is a consensus estimating process involving a nationally-known Corrections consulting firm, the Department of Corrections, Kentucky Criminal Justice Policy Assessment Council Justice Reinvestment Work Group and the Office of the State Budget Director.

**The Other category is the remaining population under the custody of the Department of Corrections located in Halfway House and Recovery Kentucky beds for parolees and probationers, as well as others serving time in jails under an alternative sentence arrangement with the Courts.

The Executive Budget includes additional General Fund in the amount of \$77,979,200 in fiscal year 2018-2019 and \$97,248,200 in fiscal year 2019-2020 for accommodating a higher inmate population forecast for costs that were previously considered a necessary government expense. Expenses that exceed this amount will be considered a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

**Justice and Public Safety
Corrections Management**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	9,404,900	14,388,800	14,751,100	11,744,800	11,890,700
Budget Reduction-General Fund	-593,700				
Other	1,140,000				
Total General Fund	9,951,200	14,388,800	14,751,100	11,744,800	11,890,700
Restricted Funds					
Balance Forward	32,300				
Current Receipts	267,700	300,000	300,000	300,000	300,000
Total Restricted Funds	300,000	300,000	300,000	300,000	300,000
Federal Fund					
Balance Forward	68,100				
Current Receipts	6,900	75,000	75,000	75,000	75,000
Total Federal Fund	75,000	75,000	75,000	75,000	75,000
TOTAL SOURCE OF FUNDS	10,326,200	14,763,800	15,126,100	12,119,800	12,265,700
EXPENDITURES BY CLASS					
Personnel Costs	9,341,400	13,296,900	13,658,000	11,053,200	11,197,900
Operating Expenses	984,800	1,466,900	1,468,100	1,066,600	1,067,800
TOTAL EXPENDITURES	10,326,200	14,763,800	15,126,100	12,119,800	12,265,700
EXPENDITURES BY FUND SOURCE					
General Fund	9,951,200	14,388,800	14,751,100	11,744,800	11,890,700
Restricted Funds	300,000	300,000	300,000	300,000	300,000
Federal Fund	75,000	75,000	75,000	75,000	75,000
TOTAL EXPENDITURES	10,326,200	14,763,800	15,126,100	12,119,800	12,265,700
EXPENDITURES BY UNIT					
Commissioner	6,267,500	9,882,400	10,147,100	7,613,000	7,713,300
Corrections Training	1,693,200	2,059,600	2,094,700	1,812,400	1,824,600
Administrative Services	1,369,100	1,643,400	1,677,300	1,583,700	1,601,700
Division of Personnel	996,400	1,178,400	1,207,000	1,110,700	1,126,100
TOTAL EXPENDITURES	10,326,200	14,763,800	15,126,100	12,119,800	12,265,700

Corrections Management provides the administrative and management functions for the Department of Corrections. These functions are achieved through six program areas: Office of the Commissioner, Division of Personnel, Division of Corrections Training, and Division of Administrative Services.

The Office of the Commissioner provides departmental management and administrative support necessary for the Commissioner of Corrections to conduct statutorily assigned duties pursuant to KRS 196 and 197. The Office conducts centralized personnel and budgeting functions. The Commission on Corrections/Community Services is administratively attached to the Office. Also attached to the Office of the Commissioner is the Office of the Deputy Commissioner for Support Services, responsible for the Division of Corrections Training and Division of Administrative Services. The Division of Population Management, Information Technology and Offender Records Branch, as well as, the Parole Board/Victims Services Branch are also under the Office of the Deputy Commissioner of Support Services.

The Division of Corrections Training, referenced in KRS 12.020, 16.090, 441.055, and 441.115, is responsible for developing curriculum and providing job training to corrections employees including staff in the county jails. Instruction is provided through the Basic Academy program, the Common Core/Officer In-service program, Jail Training programs, and various specialized programs.

The Division of Administrative Services, referenced in KRS 12.020, is comprised of two branches that provide support services to the entire Department in accounting and purchasing, property inventory, and budgeting.

**Justice and Public Safety
Adult Correctional Institutions**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	270,169,800	382,409,400	391,144,700	326,380,300	346,891,900
Current Year Appropriation	4,501,800				
Other	700,000				
Total General Fund	275,371,600	382,409,400	391,144,700	326,380,300	346,891,900
Restricted Funds					
Balance Forward	1,605,500				
Current Receipts	15,854,200	17,998,900	18,093,900	17,909,200	17,947,200
Total Restricted Funds	17,459,700	17,998,900	18,093,900	17,909,200	17,947,200
Federal Fund					
Current Receipts	521,500	272,500	272,500	272,500	272,500
Total Federal Fund	521,500	272,500	272,500	272,500	272,500
TOTAL SOURCE OF FUNDS	293,352,800	400,680,800	409,511,100	344,562,000	365,111,600
EXPENDITURES BY CLASS					
Personnel Costs	182,986,600	230,943,500	234,880,900	200,512,800	201,718,900
Operating Expenses	43,711,600	51,616,400	53,380,000	50,741,000	52,638,200
Grants Loans Benefits	66,312,200	101,716,500	119,846,800	92,816,800	109,868,100
Debt Service		15,327,000	1,061,000	149,000	544,000
Capital Outlay	342,400	1,077,400	342,400	342,400	342,400
TOTAL EXPENDITURES	293,352,800	400,680,800	409,511,100	344,562,000	365,111,600
EXPENDITURES BY FUND SOURCE					
General Fund	275,371,600	382,409,400	391,144,700	326,380,300	346,891,900
Restricted Funds	17,459,700	17,998,900	18,093,900	17,909,200	17,947,200
Federal Fund	521,500	272,500	272,500	272,500	272,500
TOTAL EXPENDITURES	293,352,800	400,680,800	409,511,100	344,562,000	365,111,600
EXPENDITURES BY UNIT					
Institutions Operations	4,629,800	5,024,400	5,090,200	5,091,500	5,132,900
Medical Services	57,085,600	65,686,900	69,381,700	65,728,200	69,407,500
Education	5,742,000	6,183,400	6,270,400	6,077,900	6,107,600
Correctional Industries	12,673,700	13,212,900	13,307,900	13,123,200	13,161,200
Correctional Facilities	199,695,900	264,337,100	253,500,700	216,390,300	218,603,700
Mental Health	9,024,000	9,608,700	9,764,200	9,423,200	9,481,400
Private Prisons	4,501,800	36,627,400	52,196,000	28,727,700	43,217,300
TOTAL EXPENDITURES	293,352,800	400,680,800	409,511,100	344,562,000	365,111,600

Adult Correctional Institutions is comprised of 12 state correctional facilities for adult felon offenders. Seven additional programmatic areas serve all institutions and their incarcerated populations: the Division of Operations, the Division of Mental Health, the Division of Substance Abuse, Education programs, Inmate Medical Services, the Division of Adult Institutions and the Division of Correctional Industries.

The Division of Operations, pursuant to KRS 197.505, 197.065, 196.240, and 197.110, supervises and directs the following activities: classification and placement of inmates, coordination of academic and technical programs, coordination of dietary and health programs for state owned facilities, and coordination of security threat group information.

The Division of Mental Health is responsible for providing mental health treatment services to Kentucky's incarcerated, paroled, and probated populations. The Division is comprised of three units: sex offender treatment programs, the Sex Offender Risk Assessment Unit, and psychiatric and psychological out-patient services.

The Division of Substance Abuse is responsible for providing and overseeing alcohol and other substance abuse treatment programs in the state correctional facilities.

Inmate Medical Services, pursuant to KRS 197.020, provides necessary health services to inmates committed to the Department. Services are performed at each institutional location through institutional medical staff, personal service contracts, and outside referrals to local specialists and hospitals. The provision of medical services is monitored, authorized, and reviewed by a system-wide Medical Director. Beneficiaries of the Division of Inmate Medical Services also include the state inmates housed in local jails who are able to participate in the healthcare network administered through the Division. County jail inmates are now beneficiaries of the healthcare network in accordance with KRS 441.560.

Kentucky Correctional Industries (KCI), as authorized by KRS 197.200, produces goods and services employing inmate labor. Kentucky Correctional Industries is a self-supporting operation, receiving only restricted funds for operations in nine of the Department's state-operated institutions. Twenty-one separate plants produce products and provide services such as office furniture, recycling, license tags, janitorial products, printing, mattresses, ergonomic chairs, signage, furniture refurbishing, and office panel systems. Data entry, coupon sorting, Braille printing services, and mail services are also offered by KCI.

Also administered by the Division of Correctional Industries is the Institutional Farm program. Farm programs are currently operated at Blackburn Correctional Complex, Northpoint Training Center, Roederer Correctional Complex, and Western Kentucky Correctional Complex. Current farm operations consist of cattle (including commercial cattle and a prime Registered Angus herd), grain, hay, orchards, vegetables, and freshwater shrimp. The farm program also has a working agreement with the Thoroughbred Retirement Foundation, and operates a refuge for retired thoroughbred horses at the Blackburn Correctional Complex.

Correctional Institutions

Kentucky State Reformatory (KSR) is a medium security institution with a current operational capacity of 1,691 inmates located near LaGrange in Oldham County. The inmate population is divided into four segments: general population, special management unit, nursing care facility, and mental health unit. Since 1980, KSR has converted designated living areas into single cell facilities and opened a new 150-bed mental health unit during 1998. In 1995 KSR opened the Nursing Care Facility which houses inmates in need of medical care due to their medical condition.

Kentucky State Penitentiary (KSP) is a maximum security institution with an operational capacity of 849 inmates, located near Eddyville in Lyon County. The inmate population is separated into three major groups: general population, protective custody, and disciplinary/administrative segregation. KSP also houses the state's capital punishment unit.

Blackburn Correctional Complex (BCC) is a minimum security institution with an operational capacity of 594 inmates located near Lexington in Fayette County. The institution programmatically directs inmates to halfway houses or returns the inmate to the community by parole, based upon the individual's demonstrated conduct, program performance, and need.

Bell County Forestry Camp (BCFC) is a minimum security institution with an operational capacity of 300 inmates located near Pineville in Bell County. The institution provides manpower to the Division of Forestry for fire suppression in Bell and seven surrounding counties during fire season along with road, highway garage, and community service details.

Kentucky Correctional Institution for Women (KCIW), the only state institutional facility for women in the Commonwealth, is located in PeeWee Valley in Shelby County, and has an operational capacity of 691 inmates. All levels of security and all levels of medical services must be provided since virtually all female prisoners are housed at KCIW.

Eastern Kentucky Correctional Complex (EKCC) is a medium security institution with an operational capacity of 1,674 inmates located near West Liberty in Morgan County. The facility is the second largest correctional institution in the state, providing inmates with employment opportunities, academic resources, and vocational programs.

Western Kentucky Correctional Complex (WKCC) is a medium security institution with an operational capacity of 470 inmates located near Caldwell County. The institution operates a full farm operation on 2,500 acres, a community work program for surrounding parks and cities, and the Correctional Industries recycling program serving the surrounding counties. Ross-Cash Center (R-CC) is located on the grounds of Western Kentucky Correctional Complex in Lyon County and has an operational capacity of 200 female inmates. The facility, which opened in October 2015, is named for two correctional employees killed in the line of duty during the 1980s.

Roederer Correctional Complex (RCC) is a medium security institution with an operational capacity of 1,138 inmates located near LaGrange in Oldham County. The institution operates the Department's Assessment and Classification Center, serving all incoming male inmates with the exception of inmates sentenced to capital punishment. The institution also operates a full farm operation on approximately 2,800 acres.

Luther Lockett Correctional Complex (LLCC) is a medium security institution with an operational capacity of 1,178 inmates, also located near LaGrange in Oldham County. The facility houses two separate institutions: the Department of Correction's prison facility and the Cabinet for Health and Family Services' Kentucky Correctional Psychiatric Center (KCPC). Due to KCPC, the inmate population has a variety of psychological, pharmaceutical, recreational, academic, vocational, and substance abuse programs available.

Green River Correctional Complex (GRCC) is a medium security institution with an operational capacity of 947 inmates located near Central City in Muhlenberg County.

Northpoint Training Center (NTC) is a medium security institution with an operational capacity of 1,226 inmates located near Danville in Boyle County. The institution operates a prison farm, along with counseling, academic, and vocational programs.

Little Sandy Correctional Complex (LSCC) is located near Sandy Hook in Elliott County and has an operational capacity of 987 inmates. Programming at the new institution consists of basic educational and vocational training classes, as well as psychological services. Correctional industries programs are planned in the near future.

Policy

The Executive Budget includes General Fund debt service in the amount of \$149,900 in fiscal year 2018-2019 and \$544,000 in fiscal year 2019-2020 to support new bonds for capital projects.

The Executive Budget includes General Fund current year appropriation in the amount of \$4,501,800 in fiscal year 2018 for Private Prisons.

The Executive Budget includes General Fund resources in the amount of \$28,727,700 in fiscal year 2018-2019 and \$43,217,300 in fiscal year 2019-2020 for Private Prisons.

The Executive Budget includes additional General Fund in the amount of \$12,858,400 in fiscal year 2018-2019 and \$17,278,800 in fiscal year 2019-2020 for accommodating a higher inmate population forecast for costs that were previously considered a necessary government expense. Expenses that exceed this amount will be considered a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

Justice and Public Safety
Community Services and Local Facilities

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	205,363,200	247,787,800	252,946,900	244,656,300	245,505,700
Other	-2,906,400				
Total General Fund	202,456,800	247,787,800	252,946,900	244,656,300	245,505,700
Restricted Funds					
Balance Forward	4,279,400	876,100	876,100	3,876,100	1,876,100
Current Receipts	7,596,700	8,000,000	7,123,900	8,000,000	8,000,000
Total Restricted Funds	11,876,100	8,876,100	8,000,000	11,876,100	9,876,100
Federal Fund					
Current Receipts	695,500	695,500	695,500	695,500	695,500
Total Federal Fund	695,500	695,500	695,500	695,500	695,500
TOTAL SOURCE OF FUNDS	215,028,400	257,359,400	261,642,400	257,227,900	256,077,300
EXPENDITURES BY CLASS					
Personnel Costs	54,639,500	65,288,100	66,474,500	60,225,400	60,718,300
Operating Expenses	7,114,900	8,968,100	8,965,900	7,347,600	7,345,100
Grants Loans Benefits	149,397,900	181,171,100	186,202,000	187,778,800	188,013,900
Capital Outlay		1,056,000			
TOTAL EXPENDITURES	211,152,300	256,483,300	261,642,400	255,351,800	256,077,300
EXPENDITURES BY FUND SOURCE					
General Fund	202,456,800	247,787,800	252,946,900	244,656,300	245,505,700
Restricted Funds	8,000,000	8,000,000	8,000,000	10,000,000	9,876,100
Federal Fund	695,500	695,500	695,500	695,500	695,500
TOTAL EXPENDITURES	211,152,300	256,483,300	261,642,400	255,351,800	256,077,300
EXPENDITURES BY UNIT					
Probation and Parole Program	55,579,100	67,172,200	67,400,100	60,477,600	60,886,600
Local Facilities Operations	1,174,300	1,524,200	1,403,300	1,282,200	1,291,600
Local Facilities - Jail Program	114,149,600	143,097,200	148,132,100	150,562,600	150,923,400
Community Corrections Commission	750,500	750,500	750,500	750,500	750,500
Halfway Houses	26,778,000	29,308,800	29,308,800	26,778,000	26,778,000
Substance Abuse Programs	11,475,100	13,253,000	13,249,700	14,128,500	14,063,500
Reentry Division	1,245,700	1,377,400	1,397,900	1,372,400	1,383,700
TOTAL EXPENDITURES	211,152,300	256,483,300	261,642,400	255,351,800	256,077,300

The Community Corrections area is comprised of the Halfway House program, Kentucky Corrections Commission, the Division of Re-entry, Probation and Parole, and Community Substance Abuse. Pursuant to KRS Chapter 439, the Halfway House program provides rehabilitation in community residential correctional centers throughout the Commonwealth where inmates are transitioned prior to their release. Pursuant to KRS Chapter 196, the Kentucky Corrections Commission grants funds for the purpose of assisting judges, throughout the Commonwealth, develop alternatives to incarceration. In accordance with KRS 532.260, the Department of Corrections has initiated the Home Incarceration program (HIP). The current average daily population of HIP participants is 323.

Policy

The Department of Corrections estimates a less than one percent growth in the number of probationers and parolees compared to fiscal year 2017. Much of this increase is due to accelerated parole hearings and mandatory reentry supervision release.

Fiscal Year	Probation and Parole Population
2017 Actual	46,046
2018 Estimated	46,100
2019 Estimated	46,200
2020 Estimated	46,300

The Executive Budget includes additional General Fund in the amount of \$36,393,100 in fiscal year 2018-2019 and \$36,752,100 in fiscal year 2019-2020 for accommodating a higher inmate population forecast for costs that were previously considered a necessary government expense. Expenses that exceed this amount will be considered a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

Justice and Public Safety

Local Jail Support

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	16,712,300	20,949,900	20,949,900	15,463,600	15,463,600
Budget Reduction-General Fund	-856,100				
Other	1,066,400				
Total General Fund	16,922,600	20,949,900	20,949,900	15,463,600	15,463,600
TOTAL SOURCE OF FUNDS	16,922,600	20,949,900	20,949,900	15,463,600	15,463,600
EXPENDITURES BY CLASS					
Personnel Costs	41,700	41,700	41,700		
Operating Expenses	440,000	440,000	440,000		
Grants Loans Benefits	16,440,900	20,468,200	20,468,200	15,463,600	15,463,600
TOTAL EXPENDITURES	16,922,600	20,949,900	20,949,900	15,463,600	15,463,600
EXPENDITURES BY FUND SOURCE					
General Fund	16,922,600	20,949,900	20,949,900	15,463,600	15,463,600
TOTAL EXPENDITURES	16,922,600	20,949,900	20,949,900	15,463,600	15,463,600
EXPENDITURES BY UNIT					
Local Jail Allotment	11,074,700	14,245,900	14,245,900	9,604,900	9,604,900
Restricted Medical	931,100	931,100	931,100	876,700	876,700
Jailers' Allowance	481,700	481,700	481,700		
Catastrophic Medical	373,600	373,600	373,600	351,800	351,800
Local Corrections Assistance Fund	4,061,500	4,917,600	4,917,600	4,630,200	4,630,200
TOTAL EXPENDITURES	16,922,600	20,949,900	20,949,900	15,463,600	15,463,600

The Local Jail Support program consists of four funds used to assist counties in local jail operations: Local Jail Allotment, Restricted Medical Allotment, Jailer's Allowance, and Catastrophic Medical. These programs were part of the Jail Reform package passed in the 1982 and 1984 Regular Sessions of the General Assembly.

The Local Jail Allotment, pursuant to KRS 441.206, was established for the care and maintenance of prisoners charged with or convicted of violations of state law. Funds appropriated for the Jail Allotment and Restricted Medical programs are distributed to each county based upon the formula in KRS 441.206.

The Jailer's Allowance program, pursuant to KRS 441.115, trains jailers and jail personnel. No fee is charged for this training. Three hundred dollars (\$300) per month is paid to jailers to help defray the costs of participation in this training program. Expense allowance payments are discontinued if the jailer fails to satisfactorily complete annual continuing training.

The Catastrophic Medical program, pursuant to KRS 441.045, provides funds that assist counties with costs of providing necessary medical, dental, or psychological care beyond routine care and diagnostic services. When the cost of providing such services exceeds \$1,000, the county is reimbursed. Initial reimbursements are limited by the maximum payments allowed for services under the Kentucky Medical Assistance Program.

The Local Corrections Assistance Fund, pursuant to KRS 196.288 provides funding to counties based upon 25% of the estimated savings resulting from changes in HB463.

Policy

Notwithstanding KRS 441.115, the Executive Budget provides no funding for the Jailers' Allowance Program.

Notwithstanding KRS 441.206(2), the Executive Budget provides no funding for Life Safety or Closed Jails Program.

Notwithstanding KRS 196.288, \$4,982,000 in each year of the biennium is allocated to the Local Corrections Assistance Fund. Of that amount, \$351,800 is re-aligned to the Catastrophic Medical program as coordinated between the Department of Corrections and the Kentucky County Jailers Association. As a result, the net amount displayed for this program is \$4,630,200 in each year of the biennium.

Justice and Public Safety

Public Advocacy

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	50,399,300	88,190,800	93,341,000	65,412,600	66,170,800
Current Year Appropriation	3,800,000				
Total General Fund	54,199,300	88,190,800	93,341,000	65,412,600	66,170,800
Restricted Funds					
Balance Forward	7,900				
Current Receipts	4,708,200	4,608,100	4,504,300	4,608,100	4,504,300
Total Restricted Funds	4,716,100	4,608,100	4,504,300	4,608,100	4,504,300
Federal Fund					
Current Receipts	1,868,900	1,422,100	1,422,100	1,422,100	1,422,100
Total Federal Fund	1,868,900	1,422,100	1,422,100	1,422,100	1,422,100
TOTAL SOURCE OF FUNDS	60,784,300	94,221,000	99,267,400	71,442,800	72,097,200
EXPENDITURES BY CLASS					
Personnel Costs	54,644,800	85,384,300	90,297,500	64,979,100	65,738,100
Operating Expenses	6,129,500	8,826,700	8,959,900	6,453,700	6,349,100
Grants Loans Benefits	10,000	10,000	10,000	10,000	10,000
TOTAL EXPENDITURES	60,784,300	94,221,000	99,267,400	71,442,800	72,097,200
EXPENDITURES BY FUND SOURCE					
General Fund	54,199,300	88,190,800	93,341,000	65,412,600	66,170,800
Restricted Funds	4,716,100	4,608,100	4,504,300	4,608,100	4,504,300
Federal Fund	1,868,900	1,422,100	1,422,100	1,422,100	1,422,100
TOTAL EXPENDITURES	60,784,300	94,221,000	99,267,400	71,442,800	72,097,200
EXPENDITURES BY UNIT					
Office of the Public Advocate	1,518,800	8,427,500	11,845,600	1,889,700	1,908,900
Defense Services	54,853,000	80,929,500	82,430,000	65,254,000	65,859,300
Law Operations	2,316,100	2,198,500	2,241,400	2,185,800	2,209,500
Protection and Advocacy	2,096,400	2,665,500	2,750,400	2,113,300	2,119,500
TOTAL EXPENDITURES	60,784,300	94,221,000	99,267,400	71,442,800	72,097,200

The United States and Kentucky Constitutions provide to all Americans the right to the assistance of counsel when they are charged with a crime. Those same constitutional provisions mandate that all persons who cannot afford an attorney and are charged with a crime that carries a potential loss of liberty be provided with an attorney by the state. The Kentucky Department for Public Advocacy (DPA) was established in KRS Chapter 31 to provide representation for indigent persons accused of crimes (or mental states) which may result in their incarceration. Kentucky's mandated public defender services are delivered by a system consisting of full-time employed public defenders and private attorneys contracting with the Department to provide services primarily in situations involving conflicts of interest. The Department, under the direction of the Public Advocate, is attached to the Justice and Public Safety Cabinet for administrative purposes.

The Public Advocacy Commission is a 12 person governing board consisting of the Dean or designee from each of the three Kentucky law schools, three members appointed by the Governor from recommendations of the Kentucky Bar Association, one member from recommendations by the Protection and Advocacy Advisory Boards, three members at-large. Two members are appointed by the Kentucky Supreme Court. The Commission insures the Department's ability to provide independent professional representation of individual clients according to the American Bar Association Ten Principles of a Public Defense Delivery System (2002).

The Office of the Public Advocate is responsible for the oversight of the agency and includes the Public Advocate, Deputy Public Advocate, General Counsel and all strategic planning and litigation education functions.

The Law Operations Division provides budget, personnel, administrative, technology, facility oversight, library services, research, archive services and management support for the Department and its offices across the state.

The Trial Division represents all needy persons accused of crimes punishable by loss of liberty, persons accused of juvenile delinquency and status offenses, and all needy persons faced with involuntary commitments due to mental state or condition in all of Kentucky's 120 counties. This includes district, circuit, drug, juvenile, mental health, veterans and family court venues.

The Post-Trial Division provides mandated defender services for indigent persons after conviction. These services include providing counsel to indigent persons on appeal to the KY Supreme Court and Court of Appeals, to incarcerated persons on post-conviction actions in state and federal court, and to all juveniles in treatment facilities.

Kentucky Protection & Advocacy (P&A), a division within the Department of Public Advocacy attached to the Department for administrative purposes only, was established pursuant to Public Law 99-319 (42 USC 10805 et seq.), Public Law 106-402 (42 USC § 15042 et seq.), and KRS 31.010 (2). P&A seeks legal, administrative, and other appropriate remedies to protect and promote the rights of Kentuckians with disabilities. The majority of funds in this division's budget are federal funds that have strict non-supplanting requirements.

Policy

The Executive Budget includes a current year General Fund appropriation of \$3,800,000 in fiscal year 2017-2018 to cover a cumulative shortfall that has accrued since fiscal year 2016 resulting from declining revenues, rising fixed costs and to support rising caseloads.

The Executive Budget includes General Fund resources in the amount of \$6,178,400 in fiscal year 2018-2019 and \$6,221,200 in fiscal year 2019-2020 to support rising caseloads.

The Executive Budget includes General Fund resources in the amount \$791,100 in fiscal year 2018-2019 and \$798,500 in fiscal year 2019-2020 to expand Alternative Sentencing Worker Program.

Labor

	Labor				
	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,244,300	6,731,000	7,079,000	5,932,500	6,008,200
Budget Reduction-General Fund	-268,700				
Total General Fund	4,975,600	6,731,000	7,079,000	5,932,500	6,008,200
Restricted Funds					
Balance Forward	23,785,900	11,433,600	7,772,700	11,433,600	7,825,700
Current Receipts	99,704,500	111,161,200	112,020,000	112,230,500	111,724,500
Non-Revenue Receipts	84,492,800	94,422,100	95,252,700	96,111,800	96,235,000
Total Restricted Funds	207,983,200	217,016,900	215,045,400	219,775,900	215,785,200
Federal Fund					
Balance Forward	127,900	1,500	1,500	1,500	
Current Receipts	3,545,900	3,907,300	3,907,300	3,907,300	3,907,300
Non-Revenue Receipts	-22,800	-22,800	-22,800	-22,800	-22,800
Total Federal Fund	3,651,000	3,886,000	3,886,000	3,886,000	3,884,500
TOTAL SOURCE OF FUNDS	216,609,800	227,633,900	226,010,400	229,594,400	225,677,900
EXPENDITURES BY CLASS					
Personnel Costs	142,658,600	157,942,200	159,840,700	158,481,500	158,555,100
Operating Expenses	7,796,300	6,890,500	6,890,700	6,842,200	6,803,300
Grants Loans Benefits	54,352,800	54,349,800	54,349,800	54,349,800	54,349,800
Capital Outlay	367,000	677,200	677,200	2,095,200	1,719,200
TOTAL EXPENDITURES	205,174,700	219,859,700	221,758,400	221,768,700	221,427,400
EXPENDITURES BY FUND SOURCE					
General Fund	4,975,600	6,731,000	7,079,000	5,932,500	6,008,200
Restricted Funds	196,549,600	209,244,200	210,794,900	211,950,200	211,534,700
Federal Fund	3,649,500	3,884,500	3,884,500	3,886,000	3,884,500
TOTAL EXPENDITURES	205,174,700	219,859,700	221,758,400	221,768,700	221,427,400
EXPENDITURES BY UNIT					
Secretary	4,780,500	5,539,400	5,660,100	6,932,700	6,624,000
General Administration and Program Support	6,110,500	7,300,200	7,450,800	6,969,400	7,017,000
Workplace Standards	13,221,200	14,914,400	15,220,700	14,808,600	14,979,200
Workers' Claims	72,464,600	75,105,200	75,509,400	75,004,600	75,227,500
Occupational Safety and Health Review Commission	813,100	748,900	761,700	745,700	752,600
Workers' Compensation Funding Commission	107,783,700	116,250,500	117,154,600	117,306,600	116,826,000
Workers' Compensation Nominating Committee	1,100	1,100	1,100	1,100	1,100
TOTAL EXPENDITURES	205,174,700	219,859,700	221,758,400	221,768,700	221,427,400

The Labor Cabinet is created pursuant to KRS 336. The Cabinet consists of the Office of the Secretary, the Department of Workers' Claims, and the Department of Workplace Standards. The Office of the Secretary manages and administers the Cabinet. The Department of Workers' Claims administers workers' compensation claims and ensures that employers comply with the insurance, self-insurance and rehabilitation provisions in KRS Chapter 342. The Department of Workplace Standards regulates state and federal laws regarding prevailing wage, employment standards, occupational safety and health and child labor law. Workplace Standards also administers the payment of workers' compensation injury claims by the Special Fund. During the 2017 General Assembly, HB 377 directed the transfer of assets and liabilities of the Coal Workers Pneumoconiosis Fund to the Kentucky Employers' Mutual Insurance (KEMI) and the program was closed to new claims after July 1, 2017. The assessments are received by the Workers Compensation Funding Commission and are to be transferred annually to KEMI.

Attached to the Labor Cabinet for administrative purposes are the Kentucky Labor Management Advisory Council, the State Labor Relations Board, the Workers' Compensation Funding Commission, the Workers' Compensation Advisory Council, the Kentucky Occupational Safety and Health Review Commission, the Occupational Safety and Health Standards Board, the Prevailing Wage Review Board, the Apprenticeship and Training Council, the Employers' Mutual Insurance Authority, the Workers' Compensation Nominating Commission, and the Workers' Compensation Board.

In addition, the Office of General Administration and Program Support for Shared Services and the Office of Inspector General are attached to the Labor Cabinet for administrative purposes. These offices provide principal administrative, human resources, budget, auditing, and internal investigation activities for the Labor Cabinet, Energy and Environment Cabinet, and Public Protection Cabinet.

		Labor Secretary			
	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	336,200				
Non-Revenue Receipts	4,304,500	5,399,600	5,520,300	6,792,900	6,484,200
Total Restricted Funds	4,640,700	5,399,600	5,520,300	6,792,900	6,484,200
Federal Fund					
Current Receipts	139,800	139,800	139,800	139,800	139,800
Total Federal Fund	139,800	139,800	139,800	139,800	139,800
TOTAL SOURCE OF FUNDS	4,780,500	5,539,400	5,660,100	6,932,700	6,624,000
EXPENDITURES BY CLASS					
Personnel Costs	4,119,400	4,909,300	5,029,800	4,864,800	4,931,900
Operating Expenses	661,100	630,100	630,300	649,900	650,100
Capital Outlay				1,418,000	1,042,000
TOTAL EXPENDITURES	4,780,500	5,539,400	5,660,100	6,932,700	6,624,000
EXPENDITURES BY FUND SOURCE					
Restricted Funds	4,640,700	5,399,600	5,520,300	6,792,900	6,484,200
Federal Fund	139,800	139,800	139,800	139,800	139,800
TOTAL EXPENDITURES	4,780,500	5,539,400	5,660,100	6,932,700	6,624,000
EXPENDITURES BY UNIT					
Secretary	4,780,500	5,539,400	5,660,100	6,932,700	6,624,000
TOTAL EXPENDITURES	4,780,500	5,539,400	5,660,100	6,932,700	6,624,000

The Secretary of Labor manages and administers the duties of the Cabinet. The primary responsibility of the Office of the Secretary is to ensure all areas within the Cabinet work to fulfill the mission to advance a well trained workforce, providing protections for the worker, compensating the injured, promoting employer excellence and work to ensure Kentucky as a workplace of innovation and distinction.

Funding for the Office of the Secretary is provided by the Kentucky Workers' Compensation Funding Commission's special assessments imposed upon workers' compensation premiums paid by employers and group self-insurers.

	Labor				
	General Administration and Program Support				
	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,219,000	4,246,500	4,535,800	3,528,000	3,573,600
Budget Reduction-General Fund	-164,900				
Total General Fund	3,054,100	4,246,500	4,535,800	3,528,000	3,573,600
Restricted Funds					
Balance Forward	772,700	467,100	164,200	467,100	217,200
Non-Revenue Receipts	2,677,400	2,677,400	2,677,400	3,116,600	3,152,800
Total Restricted Funds	3,450,100	3,144,500	2,841,600	3,583,700	3,370,000
Federal Fund					
Balance Forward	1,500	1,500	1,500	1,500	
Current Receipts	75,200	75,200	75,200	75,200	75,200
Non-Revenue Receipts	-1,800	-1,800	-1,800	-1,800	-1,800
Total Federal Fund	74,900	74,900	74,900	74,900	73,400
TOTAL SOURCE OF FUNDS	6,579,100	7,465,900	7,452,300	7,186,600	7,017,000
EXPENDITURES BY CLASS					
Personnel Costs	5,119,600	6,316,200	6,466,800	6,091,000	6,176,600
Operating Expenses	990,900	984,000	984,000	878,400	840,400
TOTAL EXPENDITURES	6,110,500	7,300,200	7,450,800	6,969,400	7,017,000
EXPENDITURES BY FUND SOURCE					
General Fund	3,054,100	4,246,500	4,535,800	3,528,000	3,573,600
Restricted Funds	2,983,000	2,980,300	2,841,600	3,366,500	3,370,000
Federal Fund	73,400	73,400	73,400	74,900	73,400
TOTAL EXPENDITURES	6,110,500	7,300,200	7,450,800	6,969,400	7,017,000
EXPENDITURES BY UNIT					
Office of General Admin & Program Support Shared Services	5,565,200	6,596,800	6,738,100	6,274,400	6,314,600
Inspector General Shared Services	545,300	703,400	712,700	695,000	702,400
TOTAL EXPENDITURES	6,110,500	7,300,200	7,450,800	6,969,400	7,017,000

Attached to the Labor Cabinet for administrative purposes, General Administration and Program Support for Shared Services includes the Office of Administrative and Program Support for Shared Services and the Office of Inspector General for Shared Services. Both offices provide the Public Protection Cabinet, Labor Cabinet and Energy and Environment Cabinet agencies with the centralized administrative resources necessary to carry out their mission.

The Office of Administrative and Program Support for Shared Services serves as a central point of contact for fiscal, personnel, payroll, budget and operations for the three Cabinets. The Division of Information Services within the Office of Administrative and Program Support for Shared Services is a central point of contact for information technology services for the Public Protection Cabinet and Energy and Environment Cabinet.

The Office of Inspector General for Shared Services is the lead investigative agency for the three Cabinets.

**Labor
Workplace Standards**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,025,300	2,484,500	2,543,200	2,404,500	2,434,600
Budget Reduction-General Fund	-103,800				
Total General Fund	1,921,500	2,484,500	2,543,200	2,404,500	2,434,600
Restricted Funds					
Balance Forward	375,600				
Non-Revenue Receipts	7,487,800	8,758,600	9,006,200	8,732,800	8,873,300
Total Restricted Funds	7,863,400	8,758,600	9,006,200	8,732,800	8,873,300
Federal Fund					
Balance Forward	126,400				
Current Receipts	3,330,900	3,692,300	3,692,300	3,692,300	3,692,300
Non-Revenue Receipts	-21,000	-21,000	-21,000	-21,000	-21,000
Total Federal Fund	3,436,300	3,671,300	3,671,300	3,671,300	3,671,300
TOTAL SOURCE OF FUNDS	13,221,200	14,914,400	15,220,700	14,808,600	14,979,200
EXPENDITURES BY CLASS					
Personnel Costs	10,557,000	12,637,100	12,943,400	12,531,900	12,703,600
Operating Expenses	2,422,400	2,035,500	2,035,500	2,034,900	2,033,800
Grants Loans Benefits	241,800	241,800	241,800	241,800	241,800
TOTAL EXPENDITURES	13,221,200	14,914,400	15,220,700	14,808,600	14,979,200
EXPENDITURES BY FUND SOURCE					
General Fund	1,921,500	2,484,500	2,543,200	2,404,500	2,434,600
Restricted Funds	7,863,400	8,758,600	9,006,200	8,732,800	8,873,300
Federal Fund	3,436,300	3,671,300	3,671,300	3,671,300	3,671,300
TOTAL EXPENDITURES	13,221,200	14,914,400	15,220,700	14,808,600	14,979,200
EXPENDITURES BY UNIT					
Wages & Hours	1,428,700	2,042,500	2,091,100	1,831,300	1,856,400
Apprenticeship	581,900	766,100	776,200	897,300	902,300
Occupational Safety and Health	10,606,600	11,522,600	11,757,100	11,499,500	11,632,400
Commissioner's Office	604,000	583,200	596,300	580,500	588,100
TOTAL EXPENDITURES	13,221,200	14,914,400	15,220,700	14,808,600	14,979,200

The Department of Workplace Standards operates under the authority of KRS Chapters 336, 337, 338, 339, 342, 343, and 388.

The Department is comprised of the Division of Apprenticeship, Division of Wages and Hours, Division of Occupational Safety and Health Compliance, and the Division of Occupational Safety and Health Education and Training.

The Division of Apprenticeship administers the Commonwealth of Kentucky's Registered Apprenticeship program that encourages employers and employees to enter into voluntary agreements of apprenticeships while monitoring programs to ensure they provide quality training and instruction.

The Division of Occupational Safety and Health Compliance ensures that employers are preventing hazards to the safety and health of all employees arising from exposure to harmful conditions and practices in the work environment. Penalties collected by the Division are returned to the General Fund.

The Division of Occupational Safety and Health Education and Training promotes voluntary compliance with the Kentucky Occupational Safety and Health rules and regulations by providing training, on-site consultations, technical data, and technical and informational materials. The Division also gathers and monitors statistical data concerning job injuries and illnesses, and acts as a liaison between the Cabinet and the Kentucky Occupational Safety and Health Standards Board.

The Division of Wages and Hours is responsible for enforcing areas of Kentucky labor laws including Kentucky Right-to-Work Act, minimum wage, overtime, prevailing wage, child labor, wage discrimination based on sex.

The Department of Workplace Standards is funded with restricted agency receipts garnered through the Workers' Compensation Funding Commission under the authority of KRS 342; federal funding received from the U.S. Department of Labor, Occupational Safety and Health Administration; and General Fund dollars that support only the Division of Apprenticeship and Division on Wages and Hours.

Policy

The Executive Budget provides \$171,500 General Fund appropriation in each fiscal year for the Apprenticeship program.

**Labor
Workers' Claims**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	4,402,600				
Current Receipts	204,000	204,000	204,000	204,000	204,000
Non-Revenue Receipts	67,858,000	74,901,200	75,305,400	74,800,600	75,023,500
Total Restricted Funds	72,464,600	75,105,200	75,509,400	75,004,600	75,227,500
TOTAL SOURCE OF FUNDS	72,464,600	75,105,200	75,509,400	75,004,600	75,227,500
EXPENDITURES BY CLASS					
Personnel Costs	14,792,100	17,383,000	17,787,200	17,244,300	17,467,200
Operating Expenses	3,194,500	2,937,000	2,937,000	2,975,100	2,975,100
Grants Loans Benefits	54,111,000	54,108,000	54,108,000	54,108,000	54,108,000
Capital Outlay	367,000	677,200	677,200	677,200	677,200
TOTAL EXPENDITURES	72,464,600	75,105,200	75,509,400	75,004,600	75,227,500
EXPENDITURES BY FUND SOURCE					
Restricted Funds	72,464,600	75,105,200	75,509,400	75,004,600	75,227,500
TOTAL EXPENDITURES	72,464,600	75,105,200	75,509,400	75,004,600	75,227,500
EXPENDITURES BY UNIT					
Workers' Claims	72,464,600	75,105,200	75,509,400	75,004,600	75,227,500
TOTAL EXPENDITURES	72,464,600	75,105,200	75,509,400	75,004,600	75,227,500

The Department of Workers' Claims operates under the authority of KRS Chapters 11, 336, and 342. The Department enforces statutes with regard to workers' compensation coverage for Kentucky's 2.1 million employees, administers workers' compensation claims and ensures that employers comply with the insurance, self-insurance, and rehabilitation provisions in KRS Chapter 342.

The Department of Workers' Claims is managed by the Commissioner's office. The Department is comprised of five divisions: Division of Information Services, the Division of Ombudsman and Workers' Compensation Specialist Services, the Division of Claims Professing, the Division of Security and Compliance and the Division of Workers' Compensation Funds. Office of Administrative Law Judges and the Workers' Compensation Board are also attached to the Department.

The Division of Information Services has the responsibility of collecting, filing, analyzing and disseminating all of the data for the department. Division of Claims processes all work-related injury claims filed under the workers compensation system and follows the statutory framework for how to handle and process injury claims, occupational disease claims, hearing loss claims and claims for coal workers' pneumoconiosis. The claims once processed are assigned to the Administrative Law Judges.

Division of Security and Compliance regulates individual entities that are approved to self-insure and ensure that sufficient coverage or assets are maintained to pay claims. The Division of Ombudsman and Workers Compensation Specialist is focused on constituent services providing services to employees, employers, insurance carriers, and medical provider to assist in claim filing.

The Workers' Compensation Board is attached to the Department for administrative purposes. The Board rules on appeals of decisions rendered by administrative law judges in the Kentucky Workers Claims' and Compensation system pursuant to KRS 342.213 and KRS 342.285. The board consists of three members appointed by the Governor to four-year terms.

The Office of Administrative Law Judges conducts hearings; supervises the presentation of evidence and renders final decisions, orders or awards regarding workers' compensation claims.

The Workers' Compensation Advisory Council and the Workers' Compensation Nominating Commission established by KRS Chapter 342 are attached to the Department for administrative purposes.

Funding for the Department of Workers' Claims is provided by the Kentucky Workers' Compensation Funding Commission's special assessments imposed upon workers' compensation premiums paid by employers and self-insureds.

Labor
Occupational Safety and Health Review Commission

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	52,000				
Non-Revenue Receipts	761,100	748,900	761,700	745,700	752,600
Total Restricted Funds	813,100	748,900	761,700	745,700	752,600
TOTAL SOURCE OF FUNDS	813,100	748,900	761,700	745,700	752,600
EXPENDITURES BY CLASS					
Personnel Costs	733,800	669,600	682,400	666,400	673,300
Operating Expenses	79,300	79,300	79,300	79,300	79,300
TOTAL EXPENDITURES	813,100	748,900	761,700	745,700	752,600
EXPENDITURES BY FUND SOURCE					
Restricted Funds	813,100	748,900	761,700	745,700	752,600
TOTAL EXPENDITURES	813,100	748,900	761,700	745,700	752,600
EXPENDITURES BY UNIT					
Occupational Safety and Health Review Commission	813,100	748,900	761,700	745,700	752,600
TOTAL EXPENDITURES	813,100	748,900	761,700	745,700	752,600

The Kentucky Occupational Safety and Health Review Commission is an independent quasi judicial administrative agency which hears and rules on appeals of citations, pursuant to KRS 338.071 and KRS 338.081, issued by the Labor Cabinet's Division of Occupational Safety and Health Compliance.

The Commission receives and processes over 200 cases per year and holds hearings throughout the state. Written findings of fact, conclusions of law, and the recommended decisions issued by the hearing officers may be appealed to the Commission and then to Franklin Circuit Court.

Funding for the Commission is provided by the Kentucky Workers' Compensation Funding Commission's special assessments imposed upon workers' compensation premiums paid by employers and self-insureds.

Labor					
Workers' Compensation Funding Commission					
SOURCE OF FUNDS	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
Restricted Funds					
Balance Forward	17,846,800	10,966,500	7,608,500	10,966,500	7,608,500
Current Receipts	99,500,500	110,957,200	111,816,000	112,026,500	111,520,500
Non-Revenue Receipts	1,402,900	1,935,300	1,980,600	1,922,100	1,947,500
Total Restricted Funds	118,750,200	123,859,000	121,405,100	124,915,100	121,076,500
TOTAL SOURCE OF FUNDS	118,750,200	123,859,000	121,405,100	124,915,100	121,076,500
EXPENDITURES BY CLASS					
Personnel Costs	107,336,300	116,026,600	116,930,700	117,082,700	116,602,100
Operating Expenses	447,400	223,900	223,900	223,900	223,900
TOTAL EXPENDITURES	107,783,700	116,250,500	117,154,600	117,306,600	116,826,000
EXPENDITURES BY FUND SOURCE					
Restricted Funds	107,783,700	116,250,500	117,154,600	117,306,600	116,826,000
TOTAL EXPENDITURES	107,783,700	116,250,500	117,154,600	117,306,600	116,826,000
EXPENDITURES BY UNIT					
Workers' Compensation Funding Commission	2,100,400	2,265,300	2,310,600	2,252,100	2,277,500
Benefit Reserve	96,123,300	98,985,200	99,844,000	100,054,500	99,548,500
KCWP Fund	9,560,000	15,000,000	15,000,000	15,000,000	15,000,000
TOTAL EXPENDITURES	107,783,700	116,250,500	117,154,600	117,306,600	116,826,000

The Workers' Compensation Funding Commission was created through the passage of House Bill 1 by the 1987 Extraordinary Session of the General Assembly. House Bill 928, passed by the 1994 General Assembly, transferred the Commission to the Labor Cabinet for administrative purposes. The agency has the public purpose of controlling, investing, and managing the funds collected pursuant to KRS Chapter 342.

The Commission is governed by a seven-member Board of Directors. Board members include the Secretaries of Labor, Economic Development, and Finance and Administration Cabinets. In addition, the Governor appoints four members who represent labor, insurance companies writing workers' compensation insurance, employers, and self-insured employers and groups.

The Commission collects two separate assessments as required by KRS Chapter 342. One assessment is imposed on Kentucky Workers' Compensation premiums received by all insurance carriers and group self-insurers, and on a calculation-based premium equivalent for employers carrying their own risk. A second assessment is imposed on such premiums received from employers engaged in the severance or processing of coal. Assessments received are to fund and pre-fund the liabilities of the Special Fund and the Coal Workers' Pneumoconiosis Fund; finance the administration and operations of the Special Fund and the Coal Workers' Pneumoconiosis Fund; finance the administration and operations of the Funding Commission; finance all programs in the Labor Cabinet except the Division of Workplace Standards; and pay the liabilities and fund the operating budget for the Uninsured Employers' Fund in the Office of the Attorney General.

These assessments are credited to the Commission's Benefit Reserve Fund, and the excess of collections over Special Fund liabilities, the Coal Workers' Pneumoconiosis Fund liabilities, and budgeted expenditures are invested according to the Commission's policies and in compliance with KRS Chapter 386. The agency may perform or contract for audits of those entities subject to assessments, and may coordinate with other governmental agencies to ensure compliance with the statutes relating to Workers' Compensation funding. During the 2017 General Assembly, HB 377 directed the transfer of assets and liabilities of the Coal Workers Pneumoconiosis Fund to the Kentucky Employers' Mutual Insurance (KEMI) and the program was closed to new claims after July 1, 2017. The assessments are received by the Workers Compensation Funding Commission and are to be transferred annually to KEMI.

The Board is required to engage a certified public accountant to conduct an annual examination of the Commission's affairs and report the findings to the Governor and the Auditor of Public Accounts.

Included in the operating expenses are the fund transfers that represent the amounts the Commission will transfer to the Labor Cabinet and the Uninsured Employers' Fund for those programs statutorily supported by assessments.

The Commission maintains a diverse financial long-term investment portfolio and has an agreement with the Office of Financial Management, within the Finance and Administration Cabinet, for short-term overnight investment advantages.

Labor					
Workers' Compensation Nominating Committee					
	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Non-Revenue Receipts	1,100	1,100	1,100	1,100	1,100
Total Restricted Funds	1,100	1,100	1,100	1,100	1,100
TOTAL SOURCE OF FUNDS	1,100	1,100	1,100	1,100	1,100
EXPENDITURES BY CLASS					
Personnel Costs	400	400	400	400	400
Operating Expenses	700	700	700	700	700
TOTAL EXPENDITURES	1,100	1,100	1,100	1,100	1,100
EXPENDITURES BY FUND SOURCE					
Restricted Funds	1,100	1,100	1,100	1,100	1,100
TOTAL EXPENDITURES	1,100	1,100	1,100	1,100	1,100
EXPENDITURES BY UNIT					
Workers' Compensation Nominating Committee	1,100	1,100	1,100	1,100	1,100
TOTAL EXPENDITURES	1,100	1,100	1,100	1,100	1,100

HB 299 of the 2017 Regular Session of the General Assembly established the Workers' Compensation Nominating Committee (WCNC) in KRS 342.213. The Workers' Compensation Nominating Committee is an agency of the Commonwealth and comprised of five members appointed by the Governor. The WCNC shall make recommendations to the Governor of three qualified individuals nominated to fill the Administrative Law Judge vacant seat and Workers' Compensation Board members 30 days prior to the end of their term or sixty days if the vacancy occurs for any reason except term expiration.

Personnel

Personnel

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	873,200	873,200	873,200		
Budget Reduction-General Fund	-44,700				
Total General Fund	828,500	873,200	873,200		
Restricted Funds					
Balance Forward	21,054,700	18,161,700	12,308,100	18,161,700	12,388,600
Current Receipts	54,218,400	52,075,200	51,760,000	52,075,200	51,760,000
Non-Revenue Receipts	8,683,800	11,041,000	11,167,500	11,015,300	11,085,500
Fund Transfers	-2,692,600	-2,689,000	-2,693,800	-2,689,000	-2,693,800
Total Restricted Funds	81,264,300	78,588,900	72,541,800	78,563,200	72,540,300
TOTAL SOURCE OF FUNDS	82,092,800	79,462,100	73,415,000	78,563,200	72,540,300
EXPENDITURES BY CLASS					
Personnel Costs	55,220,400	58,758,100	59,320,700	58,645,300	58,957,400
Operating Expenses	7,866,600	7,522,700	7,522,800	7,529,300	7,529,400
Grants Loans Benefits	828,500	873,200	873,200		
Capital Outlay	15,600				
TOTAL EXPENDITURES	63,931,100	67,154,000	67,716,700	66,174,600	66,486,800
EXPENDITURES BY FUND SOURCE					
General Fund	828,500	873,200	873,200		
Restricted Funds	63,102,600	66,280,800	66,843,500	66,174,600	66,486,800
TOTAL EXPENDITURES	63,931,100	67,154,000	67,716,700	66,174,600	66,486,800
EXPENDITURES BY UNIT					
General Operations	28,936,500	31,545,900	32,010,600	31,449,800	31,707,400
Public Employees Deferred Compensation Authority	8,756,300	9,233,600	9,308,300	9,227,800	9,269,300
Workers' Compensation Benefits and Reserve	25,409,800	25,501,300	25,524,600	25,497,000	25,510,100
State Group Health Insurance Fund	828,500	873,200	873,200		
TOTAL EXPENDITURES	63,931,100	67,154,000	67,716,700	66,174,600	66,486,800

The Personnel Cabinet provides human resources management for Kentucky state government agencies. The Cabinet coordinates the personnel and payroll functions for most of state government. It coordinates state employee benefit packages, such as health and life insurance, workers' compensation, and deferred compensation programs. The Cabinet coordinates state government's employee application process, as well as recruiting and retention functions.

Currently, the Personnel Cabinet is comprised of five appropriation units: General Operations, Public Employees Deferred Compensation Authority, Workers' Compensation Benefits and Reserve, the State Group Health Insurance Fund, and the State Salary and Compensation Fund.

The Department of Personnel was created in 1960 under KRS 18.160. At the time of its inception, it was headed by a personnel board consisting of five members appointed by the Governor. The Board had the responsibility to forward to the Governor a list of qualified applicants for the position of Commissioner of Personnel. In 1972, the legislature made the Commissioner of Personnel a direct appointee of the Governor without nominations from the Personnel Board.

In 1982, KRS 18.160 was repealed and re-enacted under KRS chapter 18A.015. Legislation enacted that year also authorized the Department to charge other state agencies their pro rata share of costs associated with the administration of the Executive Branch's personnel-related functions. In 1998, the General Assembly elevated the Department to Cabinet status.

**Personnel
General Operations**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	3,340,300	2,824,800	2,036,100	2,824,800	2,106,500
Current Receipts	22,274,800	22,245,200	22,250,000	22,245,200	22,250,000
Non-Revenue Receipts	8,838,800	11,201,000	11,332,500	11,175,300	11,250,500
Fund Transfers	-2,692,600	-2,689,000	-2,693,800	-2,689,000	-2,693,800
Total Restricted Funds	31,761,300	33,582,000	32,924,800	33,556,300	32,913,200
TOTAL SOURCE OF FUNDS	31,761,300	33,582,000	32,924,800	33,556,300	32,913,200
EXPENDITURES BY CLASS					
Personnel Costs	21,532,500	24,501,500	24,966,200	24,405,300	24,662,900
Operating Expenses	7,388,400	7,044,400	7,044,400	7,044,500	7,044,500
Capital Outlay	15,600				
TOTAL EXPENDITURES	28,936,500	31,545,900	32,010,600	31,449,800	31,707,400
EXPENDITURES BY FUND SOURCE					
Restricted Funds	28,936,500	31,545,900	32,010,600	31,449,800	31,707,400
TOTAL EXPENDITURES	28,936,500	31,545,900	32,010,600	31,449,800	31,707,400
EXPENDITURES BY UNIT					
General Administration	11,934,300	12,976,700	13,166,400	12,934,800	13,040,700
Governmental Service Center	1,534,100	1,496,200	1,516,800	1,491,900	1,503,200
Employee Relations	835,100	967,600	988,200	963,100	974,200
Employee Insurance	10,187,200	11,018,500	11,151,900	10,991,500	11,065,500
Personnel Administration	4,445,800	5,086,900	5,187,300	5,068,500	5,123,800
TOTAL EXPENDITURES	28,936,500	31,545,900	32,010,600	31,449,800	31,707,400

The General Operations unit includes the Office of the Secretary, the Department of Human Resources Administration and the Department of Employee Insurance.

The Secretary of the Personnel Cabinet is the executive and administrative head of the cabinet and supervises all activities of the cabinet. The Office of the Secretary includes: the Office of Administrative Services, the Office of Legal Services, the Office for Employee Relations, the Office of Diversity and Equality, and Training, and the Office of Public Affairs.

The Office of Administrative Services' responsibilities include overseeing the internal operations of the Cabinet, including personnel related matters, budgeting, accounting, property management, coordinating information technology for the Cabinet and procurement functions.

The Office of Legal Services provides legal services relating to the enforcement and application of state and federal laws and regulations governing employment with both the Cabinet and other Executive Branch agencies.

The Office of Employee Relations administers the Kentucky Employee Assistance Program which provides assistance to troubled employees; the employee suggestion system; a mediation program to help resolve employment problems; the state safety program; and the self-insured Workers' Compensation program. The Workers' Compensation program provides benefits to workers injured on the job and manages a return-to-work program. The program provides coverage for state employees, Murray State University, the Kentucky Community Technical College System, volunteer firefighters, volunteer ambulance personnel, and various local government entities.

The Office of Diversity and Equality and Training is responsible for administering the Equal Employment Opportunity and Diversity Programs, the Minority Management Trainee Program, and the Commonwealth's affirmative action plan established in 18A.138. The Office is also responsible for government-wide training, consultation, and organizational development, including the coordination of the Commonwealth's strategic planning, performance measurement processes and is responsible for maintaining the employee performance management system.

The Office of Public Affairs is responsible for setting the strategic direction for the Cabinet, improving processes, developing services, and planning future service offerings.

The Department of Human Resources Administration consists of two divisions: the Division of Employee Management and the Division of Career Opportunities. The responsibilities of this department include recruiting, counseling, and certifying persons for employment with the Commonwealth; maintaining the classification and compensation system; auditing and certifying state payrolls; preparing and maintaining the official personnel and payroll records;. In addition, the development and implementation of the replacement personnel and payroll system is coordinated through the Department of Human Resources Administration.

The Department of Employee Insurance manages state government's self-insured health insurance program, the Kentucky Employees' Health Plan and the life insurance benefits for state employees. The Health Plan provides health insurance coverage for state employees, state and teacher retirees that are not yet Medicare eligible, local boards of education, local health departments, and other public and quasi-public agencies. The Department also provides administrative support to the Group Health Insurance Board under KRS 18A.226 and 18A.227.

Policy

Included in the above Restricted Fund appropriation is \$2,869,000 in fiscal year 2018-2019 and \$2,693,800 in fiscal year 2019-2020 for debt service on bonds previously issued for the Kentucky Human Resources Information System (KHRIS). The Cabinet is authorized to collect a pro rata assessment from all state agencies and other organizations that will use the new personnel and payroll system. The Cabinet shall retain the funds in a Special Project Account, the balance of which will be transferred to the General Fund to cover the debt service payment.

Personnel					
Public Employees Deferred Compensation Authority					
	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	9,007,300	8,248,500	6,714,900	8,248,500	6,720,700
Current Receipts	8,075,000	7,780,000	7,460,000	7,780,000	7,460,000
Non-Revenue Receipts	-77,500	-80,000	-82,500	-80,000	-82,500
Total Restricted Funds	17,004,800	15,948,500	14,092,400	15,948,500	14,098,200
TOTAL SOURCE OF FUNDS	17,004,800	15,948,500	14,092,400	15,948,500	14,098,200
EXPENDITURES BY CLASS					
Personnel Costs	8,353,600	8,830,800	8,905,500	8,818,700	8,860,200
Operating Expenses	402,700	402,800	402,800	409,100	409,100
TOTAL EXPENDITURES	8,756,300	9,233,600	9,308,300	9,227,800	9,269,300
EXPENDITURES BY FUND SOURCE					
Restricted Funds	8,756,300	9,233,600	9,308,300	9,227,800	9,269,300
TOTAL EXPENDITURES	8,756,300	9,233,600	9,308,300	9,227,800	9,269,300
EXPENDITURES BY UNIT					
Public Employees Deferred Compensation Authority	8,756,300	9,233,600	9,308,300	9,227,800	9,269,300
TOTAL EXPENDITURES	8,756,300	9,233,600	9,308,300	9,227,800	9,269,300

The Kentucky Public Employees Deferred Compensation Authority administers tax sheltered, supplemental retirement savings programs as established in the U.S. Internal Revenue Code Sections 457, 401(k), Roth 401(k), and 403(b) and in accordance with KRS 18A.230-18A.350. These programs are an optional benefit for Kentucky's public employees.

Personnel

Workers' Compensation Benefits and Reserve

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	8,707,100	7,088,400	3,557,100	7,088,400	3,561,400
Current Receipts	23,868,600	22,050,000	22,050,000	22,050,000	22,050,000
Non-Revenue Receipts	-77,500	-80,000	-82,500	-80,000	-82,500
Total Restricted Funds	32,498,200	29,058,400	25,524,600	29,058,400	25,528,900
TOTAL SOURCE OF FUNDS	32,498,200	29,058,400	25,524,600	29,058,400	25,528,900
EXPENDITURES BY CLASS					
Personnel Costs	25,334,300	25,425,800	25,449,000	25,421,300	25,434,300
Operating Expenses	75,500	75,500	75,600	75,700	75,800
TOTAL EXPENDITURES	25,409,800	25,501,300	25,524,600	25,497,000	25,510,100
EXPENDITURES BY FUND SOURCE					
Restricted Funds	25,409,800	25,501,300	25,524,600	25,497,000	25,510,100
TOTAL EXPENDITURES	25,409,800	25,501,300	25,524,600	25,497,000	25,510,100
EXPENDITURES BY UNIT					
Workers' Compensation Benefits and Reserve	25,409,800	25,501,300	25,524,600	25,497,000	25,510,100
TOTAL EXPENDITURES	25,409,800	25,501,300	25,524,600	25,497,000	25,510,100

Created in 1990, the Workers' Compensation Benefits and Reserve is state government's self-insured Workers' Compensation program. The program provides coverage to the executive, legislative, and judicial branches of government, but excludes the Transportation Cabinet and all state universities except Murray State University. The program also covers the Kentucky Community and Technical College System, volunteer firefighters, volunteer ambulance personnel, and employees of some county clerk's or sheriff's offices when the county's population is 70,000 or more. Workers' Compensation includes a return-to-work program for injured employees, managed care, and a statewide safety program.

The revenue accruing to the program is derived from participating agencies based upon the claims history of the agency and the number of covered employees. Claims history is calculated based upon a three year running average.

Personnel

State Group Health Insurance Fund

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	873,200	873,200	873,200		
Budget Reduction-General Fund	-44,700				
Total General Fund	828,500	873,200	873,200		
TOTAL SOURCE OF FUNDS	828,500	873,200	873,200		
EXPENDITURES BY CLASS					
Grants Loans Benefits	828,500	873,200	873,200		
TOTAL EXPENDITURES	828,500	873,200	873,200		
EXPENDITURES BY FUND SOURCE					
General Fund	828,500	873,200	873,200		
TOTAL EXPENDITURES	828,500	873,200	873,200		
EXPENDITURES BY UNIT					
State Group Health Insurance Fund	828,500	873,200	873,200		
TOTAL EXPENDITURES	828,500	873,200	873,200		

The State Group Health Insurance Fund provides funding to support a dependent subsidy for quasi-governmental employers participating in the Kentucky Employees' Health Plan.

Policy

The Executive Budget provides no funding for the State Group Health Insurance Fund.

Postsecondary Education

Postsecondary Education

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,173,458,600	1,282,645,200	1,371,045,700	1,103,586,700	1,123,378,300
Postsecondary Ed Performance			-626,500		
Special Appropriation	298,000				
Continuing Approp-General Fund	18,158,500				
Budget Reduction-General Fund	-10,983,600				
Other	2,000,000				
Total General Fund	1,182,931,500	1,282,645,200	1,370,419,200	1,103,586,700	1,123,378,300
Tobacco Fund					
Tobacco Settlement - Phase I	6,276,100	6,276,100	6,276,100		
Continuing Approp-Tob Settlement	862,100				
Total Tobacco Fund	7,138,200	6,276,100	6,276,100		
Restricted Funds					
Balance Forward	7,323,800	6,618,814	3,405,514	5,043,200	1,431,800
Current Receipts	5,516,796,600	5,865,489,700	6,187,239,500	5,839,990,500	6,161,859,700
Non-Revenue Receipts	12,497,500	13,739,400	12,794,500	16,081,300	17,266,200
Total Restricted Funds	5,536,617,900	5,885,847,914	6,203,439,514	5,861,115,000	6,180,557,700
Federal Fund					
Balance Forward		28,400	28,400	28,400	28,400
Current Receipts	834,876,800	870,820,700	896,698,700	870,820,700	896,449,300
Non-Revenue Receipts	28,400				
Total Federal Fund	834,905,200	870,849,100	896,727,100	870,849,100	896,477,700
TOTAL SOURCE OF FUNDS	7,561,592,800	8,045,618,314	8,476,861,914	7,835,550,800	8,200,413,700
EXPENDITURES BY CLASS					
Personnel Costs	3,771,338,500	4,001,648,535	4,168,881,338	3,937,690,400	4,102,484,800
Operating Expenses	2,253,211,100	2,420,040,230	2,589,243,922	2,381,799,300	2,532,727,800
Grants Loans Benefits	1,199,576,600	1,258,639,681	1,276,596,457	1,196,577,200	1,216,245,000
Debt Service	156,514,600	160,607,700	222,796,000	158,062,700	172,653,000
Capital Outlay	175,880,400	186,194,393	202,237,422	159,961,000	176,004,000
TOTAL EXPENDITURES	7,556,521,200	8,027,130,539	8,459,755,139	7,834,090,600	8,200,114,600
EXPENDITURES BY FUND SOURCE					
General Fund	1,182,931,500	1,282,645,139	1,370,419,139	1,103,586,700	1,123,378,300
Tobacco Fund	7,138,200	6,276,100	6,276,100		
Restricted Funds	5,531,574,700	5,868,443,600	6,186,610,600	5,859,683,200	6,180,287,000
Federal Fund	834,876,800	870,820,700	896,449,300	870,820,700	896,449,300
TOTAL EXPENDITURES	7,556,521,200	8,028,185,539	8,459,755,139	7,834,090,600	8,200,114,600
EXPENDITURES BY UNIT					
Council on Postsecondary Education	70,079,400	68,026,000	128,308,700	58,759,300	71,006,200
Kentucky Higher Education Assistance Authority	296,867,400	315,431,300	321,759,700	281,631,900	289,896,300
Postsecondary Education Institutions	7,189,574,400	7,644,728,239	8,009,686,739	7,493,699,400	7,839,212,100
TOTAL EXPENDITURES	7,556,521,200	8,028,185,539	8,459,755,139	7,834,090,600	8,200,114,600

Postsecondary Education
Council on Postsecondary Education

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	41,268,000	45,285,400	106,110,700	40,619,300	53,410,900
Special Appropriation	298,000				
Continuing Approp-General Fund	2,403,400				
Budget Reduction-General Fund	-2,114,100				
Total General Fund	41,855,300	45,285,400	106,110,700	40,619,300	53,410,900
Tobacco Fund					
Tobacco Settlement - Phase I	5,176,100	5,176,100	5,176,100		
Total Tobacco Fund	5,176,100	5,176,100	5,176,100		
Restricted Funds					
Balance Forward	1,895,800	1,750,314	1,407,814	1,791,300	873,300
Current Receipts	732,000	341,000	291,000	341,000	291,000
Non-Revenue Receipts	4,109,000	4,109,000	4,109,000	4,109,000	4,109,000
Total Restricted Funds	6,736,800	6,200,314	5,807,814	6,241,300	5,273,300
Federal Fund					
Current Receipts	18,102,500	12,772,000	12,322,000	12,772,000	12,322,000
Total Federal Fund	18,102,500	12,772,000	12,322,000	12,772,000	12,322,000
TOTAL SOURCE OF FUNDS	71,870,700	69,433,814	129,416,614	59,632,600	71,006,200
EXPENDITURES BY CLASS					
Personnel Costs	17,170,200	15,756,300	15,824,300	8,477,200	8,451,300
Operating Expenses	3,111,000	2,243,000	2,237,600	2,473,000	2,469,800
Grants Loans Benefits	49,798,200	50,026,700	49,922,800	41,446,100	40,996,100
Debt Service			60,324,000	6,363,000	19,089,000
TOTAL EXPENDITURES	70,079,400	68,026,000	128,308,700	58,759,300	71,006,200
EXPENDITURES BY FUND SOURCE					
General Fund	41,855,300	45,285,400	106,110,700	40,619,300	53,410,900
Tobacco Fund	5,176,100	5,176,100	5,176,100		
Restricted Funds	4,945,500	4,792,500	4,699,900	5,368,000	5,273,300
Federal Fund	18,102,500	12,772,000	12,322,000	12,772,000	12,322,000
TOTAL EXPENDITURES	70,079,400	68,026,000	128,308,700	58,759,300	71,006,200
EXPENDITURES BY UNIT					
Agency Operations	7,468,300	8,654,500	8,688,300	8,457,300	8,420,700
Licensure	285,500	332,500	339,900	312,000	314,400
Pass Through Programs	10,301,000	10,394,600	10,394,600	9,489,300	9,489,300
Federal Programs	5,780,500	450,000		450,000	
Strategic Investment and Incentive Funding Program	46,244,100	48,194,400	108,885,900	40,050,700	52,781,800
TOTAL EXPENDITURES	70,079,400	68,026,000	128,308,700	58,759,300	71,006,200

The Council on Postsecondary Education coordinates public postsecondary education, bringing a statewide perspective to budget and policy issues and planning. The Council both guides the system and serves as an advocate for the postsecondary education sector of the state's education enterprise. The Council licenses private non-profit and proprietary bachelor's degree-granting institutions and operates Kentucky's adult education system, bringing all of Kentucky's postsecondary and adult education providers under one agency.

The Council's statutory responsibilities include:

- development of a strategic plan for an efficient and effective system of postsecondary education that provides statewide access without unnecessary competition and duplication, recognizing both public and independent institutions;

- implementation of the strategic plan through public accountability, including reporting and evaluation of institutional performance;
- approval of the creation, modification, and elimination of programs and degrees and transferability of credits earned;
- approval of tuition rates and admission requirements;
- approval of capital projects and real property acquisitions by institutions;
- training and orientation of new members of institutional governing boards;
- liaison between postsecondary education institutions and the Kentucky Department of Education, the Education Professional Standards Board, the Education and Workforce Development Cabinet, and the Cabinet for Economic Development;
- operation of the Kentucky Virtual High School and the Kentucky Virtual Library;
- coordination and acquisition of technology resources for broadest access and cost efficiency;
- collection of data and research and analysis concerning the overall needs of postsecondary and adult education;
- administration of the statewide adult education and literacy program; and
- assistance in the development of the postsecondary institutions' biennial budget requests and recommendations concerning operating and capital appropriations to the Governor and the General Assembly.

Policy

House Bill 471 from the 2017 Regular Session of the General Assembly appropriated an additional \$298,000 from the General Fund to the Council on Postsecondary Education in the current fiscal year.

**Postsecondary Education
Council on Postsecondary Education
Agency Operations**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,935,200	8,304,500	8,438,300	7,511,300	7,571,800
Special Appropriation	197,100				
Budget Reduction-General Fund	-214,000				
Total General Fund	6,918,300	8,304,500	8,438,300	7,511,300	7,571,800
Restricted Funds					
Balance Forward	462,000	451,975	291,975	452,000	202,400
Current Receipts	540,000	190,000	140,000	190,000	140,000
Non-Revenue Receipts				506,400	506,500
Total Restricted Funds	1,002,000	641,975	431,975	1,148,400	848,900
TOTAL SOURCE OF FUNDS	7,920,300	8,946,475	8,870,275	8,659,700	8,420,700
EXPENDITURES BY CLASS					
Personnel Costs	5,940,300	7,106,700	7,140,500	6,624,600	6,588,000
Operating Expenses	1,528,000	1,547,800	1,547,800	1,832,700	1,832,700
TOTAL EXPENDITURES	7,468,300	8,654,500	8,688,300	8,457,300	8,420,700
EXPENDITURES BY FUND SOURCE					
General Fund	6,918,300	8,304,500	8,438,300	7,511,300	7,571,800
Restricted Funds	550,000	350,000	250,000	946,000	848,900
TOTAL EXPENDITURES	7,468,300	8,654,500	8,688,300	8,457,300	8,420,700

The Agency Operations program includes all of the staff and operating expenses necessary to manage the agency and programs of the Council except those funded with Federal grants. Activities of the professional staff include review of academic programs, admission standards, tuition rates, credit transfer procedures, adult education, technology resources and on-line learning; funding for science and technology initiatives; minority outreach; research and data analysis; and licensing of private postsecondary educational institutions. Also included in this budget are the business functions of the agency such as human resources, communications, budget, accounting, and purchasing, as well as board relations.

**Postsecondary Education
Council on Postsecondary Education**

Licensure

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	1,433,800	1,298,339	1,115,839	1,339,300	670,900
Current Receipts	191,000	150,000	150,000	150,000	150,000
Non-Revenue Receipts				-506,400	-506,500
Total Restricted Funds	1,624,800	1,448,339	1,265,839	982,900	314,400
TOTAL SOURCE OF FUNDS	1,624,800	1,448,339	1,265,839	982,900	314,400
EXPENDITURES BY CLASS					
Personnel Costs	261,500	308,500	315,900	288,000	290,400
Operating Expenses	24,000	24,000	24,000	24,000	24,000
TOTAL EXPENDITURES	285,500	332,500	339,900	312,000	314,400
EXPENDITURES BY FUND SOURCE					
Restricted Funds	285,500	332,500	339,900	312,000	314,400
TOTAL EXPENDITURES	285,500	332,500	339,900	312,000	314,400

This unit manages the licensure of both independent non-profit and for-profit postsecondary institutions that grant baccalaureate degrees and higher in the Commonwealth of Kentucky. It also approves new degree programs offered by these institutions. Initial licensing and renewal fees are based on the total number of students and the years licensed in the state.

**Postsecondary Education
Council on Postsecondary Education
Pass Through Programs**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,316,000	6,284,600	6,284,600	5,379,300	5,379,300
Special Appropriation	100,900				
Budget Reduction-General Fund	-225,900				
Total General Fund	6,191,000	6,284,600	6,284,600	5,379,300	5,379,300
Restricted Funds					
Current Receipts	1,000	1,000	1,000	1,000	1,000
Non-Revenue Receipts	4,109,000	4,109,000	4,109,000	4,109,000	4,109,000
Total Restricted Funds	4,110,000	4,110,000	4,110,000	4,110,000	4,110,000
TOTAL SOURCE OF FUNDS	10,301,000	10,394,600	10,394,600	9,489,300	9,489,300
EXPENDITURES BY CLASS					
Grants Loans Benefits	10,301,000	10,394,600	10,394,600	9,489,300	9,489,300
TOTAL EXPENDITURES	10,301,000	10,394,600	10,394,600	9,489,300	9,489,300
EXPENDITURES BY FUND SOURCE					
General Fund	6,191,000	6,284,600	6,284,600	5,379,300	5,379,300
Restricted Funds	4,110,000	4,110,000	4,110,000	4,110,000	4,110,000
TOTAL EXPENDITURES	10,301,000	10,394,600	10,394,600	9,489,300	9,489,300
EXPENDITURES BY UNIT					
Contract Spaces	5,781,000	6,070,600	6,070,600	5,379,300	5,379,300
Professional Education Preparation Program	119,600				
Minority Student College Prep Program	83,600				
State Autism Training Center	119,500	119,500	119,500		
SREB Doctoral Scholars Program	64,500	94,500	94,500		
Pass Through - Other	22,800				
Cancer Research Insts Mtchg Fd	4,110,000	4,110,000	4,110,000	4,110,000	4,110,000
TOTAL EXPENDITURES	10,301,000	10,394,600	10,394,600	9,489,300	9,489,300

Funds are appropriated to the Council on Postsecondary Education and subsequently "passed through" to other agencies or entities. The Council monitors the implementation of the programs but is not responsible for actual day to day operations.

The **Contract Spaces Program** provides Kentucky students with access to professional programs in veterinary medicine and optometry through contracts administered by the Southern Regional Education Board and Indiana University. In veterinary medicine, Kentucky contracts for spaces at Auburn University and Tuskegee Institute. For optometry students spaces are available at the Southern College of Optometry, University of Alabama, Indiana University, and the Kentucky College of Optometry. Contract fees guarantee a fixed number of spaces in the out-of-state academic programs for qualified Kentucky residents. Enrolled students are required to pay only the equivalent of the in-state tuition at the host institution. Students are supported for four years. To reserve these spaces and to help defray cost, the Commonwealth pays a contract fee per space to each participating institution.

The **Cancer Research Institutions Matching Fund** is administered by the Council on Postsecondary Education to support cancer-related research that will ultimately reduce the morbidity and mortality from these diseases. The program is funded by a one cent per pack cigarette surtax, and the two research institutions – UK and U of L - provide a dollar for dollar match from external sources.

The **Professional Education Preparation Program (PEPP)** was established in 1980 pursuant to KRS 164.028 through 164.0282. The program assists students and prospective students from rural and inner-city areas experiencing medical and dental workforce shortages to gain admission to and graduate from medical and dental school. All funds appropriated to the Council for the PEPP program are allocated to the University of Kentucky, the University of Louisville, and the University of Pikeville to conduct pre freshman workshops, undergraduate workshops, student assessment conferences, and MCAT/DAT test assistance with tutoring and summer job placement.

The **Governor's Minority Student College Preparation Program** was established in 1988 to provide academic enrichment activities for middle school students, encourage them to stay in school and to enter college, to make young African-American students aware of the benefits and value of college and make them more likely to consider college as an achievable option, and to prepare these students to be successful in college-level work. The program places emphasis on early intervention in an attempt to overcome problems at the high school level that tend to reduce the pool of minorities interested in attending and prepared to do well in college. Approximately 550 middle and junior high school students will be enrolled in this program each year.

The **Kentucky State Autism Training Center** contracts with the University of Louisville to provide coordinated services for training individuals to deliver services to children diagnosed with autism spectrum disorders.

The **Southern Regional Education Board Doctoral Scholars Program** supports and encourages minority students to pursue doctoral degrees. The program seeks to increase the number of minority faculty members employed as college faculty and executives by increasing the available pool of minority candidates. Students are provided scholarships and other financial support to attend institutions throughout the southern region and in some Midwest states. Kentucky has 35 students currently in the program, including 8 at U of L and 9 at UK. Of the 81 students who have already graduated, 22 are currently employed in Kentucky.

The **Washington Internship Program** provides scholarships for students who spend a semester in Washington, DC in work-study programs in international relations, journalism, law, medicine, public relations, business, the arts, science and technology, education or counseling.

**Postsecondary Education
Council on Postsecondary Education
Federal Programs**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Federal Fund					
Current Receipts	5,780,500	450,000		450,000	
Total Federal Fund	5,780,500	450,000		450,000	
TOTAL SOURCE OF FUNDS	5,780,500	450,000		450,000	
EXPENDITURES BY CLASS					
Personnel Costs	2,974,100				
Operating Expenses	906,400				
Grants Loans Benefits	1,900,000	450,000		450,000	
TOTAL EXPENDITURES	5,780,500	450,000		450,000	
EXPENDITURES BY FUND SOURCE					
Federal Fund	5,780,500	450,000		450,000	
TOTAL EXPENDITURES	5,780,500	450,000		450,000	

The Council on Postsecondary Education administers two federal programs in addition to the Adult Education related grants: Improving Educator Quality State Grant Program and Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) Kentucky.

The Improving Educator Quality State Grant program focuses on preparing, training, and recruiting high-quality teachers. The Council on Postsecondary Education provides competitive grants to partnerships comprised of schools of education and arts and sciences, along with one or more high-need local school districts.

The Gaining Early Awareness and Readiness program is a federal initiative that encourages young people to stay in school, study hard and take courses that prepare them to succeed in college. The program provides a range of services to low-income students by supporting new or expanded activities that strengthen schools. GEAR UP grants are awarded to states as well as partnerships comprising schools, postsecondary institutions and non-school partners. GEAR UP state grants stress early intervention and provide scholarships. Each grant dollar must be matched through a combination of state, local, and private funds.

**Postsecondary Education
Council on Postsecondary Education
Strategic Investment and Incentive Funding Program**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	28,016,800	30,696,300	91,387,800	27,728,700	40,459,800
Continuing Approp-General Fund	2,403,400				
Budget Reduction-General Fund	-1,674,200				
Total General Fund	28,746,000	30,696,300	91,387,800	27,728,700	40,459,800
Tobacco Fund					
Tobacco Settlement - Phase I	5,176,100	5,176,100	5,176,100		
Total Tobacco Fund	5,176,100	5,176,100	5,176,100		
Federal Fund					
Current Receipts	12,322,000	12,322,000	12,322,000	12,322,000	12,322,000
Total Federal Fund	12,322,000	12,322,000	12,322,000	12,322,000	12,322,000
TOTAL SOURCE OF FUNDS	46,244,100	48,194,400	108,885,900	40,050,700	52,781,800
EXPENDITURES BY CLASS					
Personnel Costs	7,994,300	8,341,100	8,367,900	1,564,600	1,572,900
Operating Expenses	652,600	671,200	665,800	616,300	613,100
Grants Loans Benefits	37,597,200	39,182,100	39,528,200	31,506,800	31,506,800
Debt Service			60,324,000	6,363,000	19,089,000
TOTAL EXPENDITURES	46,244,100	48,194,400	108,885,900	40,050,700	52,781,800
EXPENDITURES BY FUND SOURCE					
General Fund	28,746,000	30,696,300	91,387,800	27,728,700	40,459,800
Tobacco Fund	5,176,100	5,176,100	5,176,100		
Federal Fund	12,322,000	12,322,000	12,322,000	12,322,000	12,322,000
TOTAL EXPENDITURES	46,244,100	48,194,400	108,885,900	40,050,700	52,781,800
EXPENDITURES BY UNIT					
Research Challenge Trust Fund	5,176,100	5,176,100	5,176,100		
Technology Initiative Trust Fund	3,638,000	3,885,500	3,890,200	3,601,300	3,601,300
Physical Facilities Trust Fund			60,324,000	6,363,000	19,089,000
Adult Education and Literacy Funding Program	31,356,300	30,345,400	30,702,900	28,748,000	28,749,100
Science and Technology Funding Program	4,721,700	5,112,300	5,112,300		
Special Initiatives Funding Program	1,352,000	3,675,100	3,680,400	1,338,400	1,342,400
TOTAL EXPENDITURES	46,244,100	48,194,400	108,885,900	40,050,700	52,781,800

The **Strategic Investment and Incentive Funding Program** was created in the Kentucky Postsecondary Education Improvement Act of 1997, codified as KRS 164.7911. This program consists of appropriations for the Research Challenge Trust Fund and the Technology Initiative Trust Fund, as well as three programs established by the Council through the budget process: the Adult Education and Literacy Funding Program, the Science and Technology Funding Program, and the Special Initiatives Funding Program. These appropriations are made to the Council, which is responsible for establishing criteria and distributing these funds to postsecondary institutions in a manner that will allow the Commonwealth to accomplish the goals established in KRS 164.003(2).

Adult Education and Literacy Funding Program

Adult Education and Literacy aims to improve the educational status of adult Kentuckians who do not have a high school diploma, who function at low levels of literacy or who want to learn the English language. Kentucky Adult Education contracts with local boards of education, community and technical colleges, community-based organizations, education consortia, public and private non-profit organizations, and correctional institutions to provide adult education and literacy services in a variety of settings and locations. Every Kentucky county has a comprehensive adult education provider that offers all levels of adult education instruction, family literacy, and employability and life skills instruction. Many providers also offer English as a Second Language classes and workplace education. By statute, funds are allocated using a formula based on the number of adults in each county functioning at low literacy levels.

Research Challenge Trust Fund

Tobacco Settlement – Phase I funds support competitive grants to researchers at the Brown Cancer Center at U of L and the Markey Cancer Center at UK. Funds are granted by the lung cancer research governance board established in KRS 164.476 to fund research into the causes, detection, and treatment of lung cancer.

Science and Technology Funding Program

The Science and Technology Funding program supports the initiatives established by the Kentucky Innovation Act in KRS 164.6011 through 164.6043. The **Experimental Program to Stimulate Competitive Research (EPSCoR)** program, a highly collaborative and successful federal research and development program initiated by the National Science Foundation in 1978, leverages state matching funds to bring additional federal research dollars to Kentucky. The Science and Technology Funding Program also provides funding for the **Science and Engineering Foundation**. The Science and Engineering Foundation, modeled on the National Science Foundation, makes investments in peer-reviewed science and engineering research. The **Knowledge-Based Economy Academic Program** supports postsecondary education programs in engineering and information technology. The Council on Postsecondary Education directed the public universities and colleges to work together to design a statewide strategy to educate more engineers, to integrate engineering education more closely into the technology-driven New Economy, and to recruit more women and minorities into engineering. Students at Western Kentucky University, Murray State University, the University of Louisville, and the University of Kentucky are enrolled in joint engineering classes.

Special Initiatives Funding Program

The Council on Postsecondary Education allocates funds to institutions for activities that support the goals of Senate Bill 1 from the 2009 session of the General Assembly. These include professional development of faculty and revision of the pedagogic curriculum and assessment standards of colleges of education.

Technology Initiative Trust Fund

This program includes funding for the Kentucky Postsecondary Education Network (KPEN), the Kentucky Virtual Campus and Virtual Library, the College Level Learning Assessment, the College Access Initiative, and faculty development activities that improve teaching and develop best practices, particularly for distance learning situations.

Policy

Included in the above General Fund appropriation is \$6,363,000 in fiscal year 2018-2019 and \$19,089,000 2019-2020 for new debt service to support \$300,000,000 in new bonds for capital projects at the postsecondary education institutions.

Funding for the Science and Technology Funding program is transferred to the Cabinet for Economic Development in fiscal years 2019 and 2020.

Postsecondary Education
Kentucky Higher Education Assistance Authority

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	245,244,000	280,377,500	287,377,500	248,106,000	255,106,000
Continuing Approp-General Fund	15,755,100				
Other	2,000,000				
Total General Fund	262,999,100	280,377,500	287,377,500	248,106,000	255,106,000
Tobacco Fund					
Tobacco Settlement - Phase I	1,100,000	1,100,000	1,100,000		
Continuing Approp-Tob Settlement	862,100				
Total Tobacco Fund	1,962,100	1,100,000	1,100,000		
Restricted Funds					
Balance Forward	5,428,000	4,868,500	1,997,700	3,251,900	558,500
Current Receipts	21,307,800	21,418,800	24,097,700	18,826,400	21,311,500
Non-Revenue Receipts	8,388,500	9,630,400	8,685,500	11,972,300	13,157,200
Total Restricted Funds	35,124,300	35,917,700	34,780,900	34,050,600	35,027,200
Federal Fund					
Balance Forward		28,400	28,400	28,400	28,400
Current Receipts	33,800	33,800	33,800	33,800	33,800
Non-Revenue Receipts	28,400				
Total Federal Fund	62,200	62,200	62,200	62,200	62,200
TOTAL SOURCE OF FUNDS	300,147,700	317,457,400	323,320,600	282,218,800	290,195,400
EXPENDITURES BY CLASS					
Personnel Costs	17,433,700	20,424,900	20,648,400	17,729,200	17,758,400
Operating Expenses	1,855,500	1,855,300	1,852,000	1,858,600	1,855,800
Grants Loans Benefits	276,609,500	292,184,100	298,287,000	261,077,100	269,309,800
Debt Service	743,700	742,000	747,300	742,000	747,300
Capital Outlay	225,000	225,000	225,000	225,000	225,000
TOTAL EXPENDITURES	296,867,400	315,431,300	321,759,700	281,631,900	289,896,300
EXPENDITURES BY FUND SOURCE					
General Fund	262,999,100	280,377,500	287,377,500	248,106,000	255,106,000
Tobacco Fund	1,962,100	1,100,000	1,100,000		
Restricted Funds	31,872,400	33,920,000	33,248,400	33,492,100	34,756,500
Federal Fund	33,800	33,800	33,800	33,800	33,800
TOTAL EXPENDITURES	296,867,400	315,431,300	321,759,700	281,631,900	289,896,300
EXPENDITURES BY UNIT					
General Administration and Support	19,807,900	22,847,200	23,072,700	20,154,800	20,186,500
College Access Program	77,266,700	95,110,000	97,805,000	70,405,900	74,591,600
Kentucky Coal County College Completion Program	5,463,000	5,205,000	5,205,000		
Work Study Program	400,000	400,000	400,000		
Kentucky Tuition Grant	36,722,900	41,090,000	42,245,000	36,876,300	38,670,500
Teacher Scholarships	2,119,800	2,357,500	2,357,500		
Ky National Guard Tuition	8,782,100	50,000	50,000	7,448,100	7,448,100
Osteopathic Medicine Scholarship	898,400	626,000	626,000	326,000	326,000
Ky Educational Excellence Scholarships	113,652,900	118,886,900	121,139,800	118,887,000	121,139,800
Early Childhood Development Scholarships	2,984,100	1,153,400	1,153,400		
Kentucky's Affordable Prepaid Tuition (KAPT)	450,000	400,000	400,000	400,000	400,000

EXPENDITURES BY UNIT

Coal County Scholarship for Pharmacy Students	725,000	625,000	625,000	625,000	625,000
Early Graduation Scholarship Certificate	575,000	575,000	575,000	575,000	575,000
Work Ready Scholarship	15,900,000	15,900,000	15,900,000	15,900,000	15,900,000
Dual Credit Scholarship	10,464,300	10,000,000	10,000,000	10,000,000	10,000,000
Other Programs	655,300	205,300	205,300	33,800	33,800
TOTAL EXPENDITURES	296,867,400	315,431,300	321,759,700	281,631,900	289,896,300

The mission of the Kentucky Higher Education Assistance Authority (KHEAA) is to increase educational attainment by providing student financial aid and other assistance to Kentuckians preparing for and attending college. KHEAA administers state grants, scholarships, work study and college savings programs for postsecondary students. The agency is the designated guarantor of insured student loans and disseminates college planning and financial aid information.

The Kentucky Higher Education Assistance Authority administers the following student aid programs:

The College Access Program awards grants to Kentucky's financially needy undergraduate students enrolled in a public or private non-profit college, public technical college, or proprietary school.

The Kentucky Tuition Grant program provides need-based grants to qualified Kentucky students who choose to attend one of the Commonwealth's 26 participating independent colleges and is designed to assist full-time students with tuition charges at these schools.

The Kentucky Educational Excellence Scholarships (KEES) program provides merit-based scholarships to eligible high school students based on their yearly grade point average and supplemental awards based on their highest ACT (or equivalent SAT) score attained by their high school graduation date. The scholarships can be used to pay the expenses of each year of college or technical training.

The Teacher Scholarship program is designed to assist financially needy Kentucky students with the costs incurred while seeking initial teacher certification. Recipients must agree to render qualified teaching service in the Commonwealth.

The Kentucky National Guard Tuition Award program provides tuition assistance to active members of the Kentucky National Guard to attend Kentucky's state-supported postsecondary educational institutions. The Department of Military Affairs selects the recipients and KHEAA forwards funds to the schools to be disbursed to the students.

The Osteopathic Medicine Scholarship program provides tuition equalization awards to eligible students who attend the University of Pikeville College of Osteopathic Medicine. Recipients must agree to provide medical services in Kentucky one year for each year they receive a scholarship, or repay their tuition grants.

The Coal County Pharmacy Scholarship Program provides tuition awards to eligible students at Kentucky colleges who agree to provide pharmacy services in a coal-producing county of Kentucky for one year for each year they receive the scholarship, or repay their tuition grants.

The Early Childhood Development Scholarship program provides tuition assistance to Kentucky residents pursuing a credential, certificate, or degree in early childhood education. It was established to upgrade the professional development of child-care workers and trainers who do not have access to state or federal professional development funds.

The Go Higher Grant program provides a financial incentive for non-traditional students who are enrolled on a less than full time basis and are therefore ineligible for most aid programs.

The John R. Justice program, supported by a Federal grant, provides student loan repayment assistance for public defenders and prosecutors who commit to continued employment for at least three years after graduation from law school.

The Kentucky Coal County College Completion Scholarship is awarded to coal county residents who have earned at least 60 credit hours toward a bachelor's degree and are enrolled at least half-time at a postsecondary institution located in a coal-producing county.

The Early Graduation Scholarship is awarded to students who graduate high school in three years. It can be used at any public or non-profit, independent institution the academic year immediately following graduation and is equal to one-half of the state portion of the average statewide per pupil guaranteed base funding level (SEEK allowance).

The Dual Credit Scholarship is awarded to Kentucky high school juniors and seniors who enroll in an approved dual credit course at a participating institution.

The Work Ready Scholarship is awarded to Kentuckians with a high school credential but who have not earned an associate's degree and are enrolled in an industry-recognized certificate or diploma program in high-demand workforce sector.

Policy

The Executive Budget suspends the provisions of KRS 154A.130(4) and provides General Fund in the amount of \$107,519,700 in fiscal year 2018-2019 and \$108,539,800 in fiscal year 2019-2020 for the Kentucky Educational Excellence Scholarships (KEES). Included in the restricted funds appropriation is \$11,367,300 in fiscal year 2018-2019 and \$12,600,000 in fiscal year 2019-2020 for KEES.

The Executive Budget provides that lottery receipts received by the Commonwealth in any fiscal year in excess of the official estimate of the Consensus Forecasting Group, other than unclaimed prizes, will be transferred to the Kentucky Higher Education Assistance Authority and appropriated for the College Access Program and the Kentucky Tuition Grant Program.

Postsecondary Education
Postsecondary Education Institutions

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	886,946,600	956,982,300	977,557,500	814,861,400	814,861,400
Postsecondary Ed Performance			-626,500		
Budget Reduction-General Fund	-8,869,500				
Total General Fund	878,077,100	956,982,300	976,931,000	814,861,400	814,861,400
Restricted Funds					
Current Receipts	5,494,756,800	5,843,729,900	6,162,850,800	5,820,823,100	6,140,257,200
Total Restricted Funds	5,494,756,800	5,843,729,900	6,162,850,800	5,820,823,100	6,140,257,200
Federal Fund					
Current Receipts	816,740,500	858,014,900	884,342,900	858,014,900	884,093,500
Total Federal Fund	816,740,500	858,014,900	884,342,900	858,014,900	884,093,500
TOTAL SOURCE OF FUNDS	7,189,574,400	7,658,727,100	8,024,124,700	7,493,699,400	7,839,212,100
EXPENDITURES BY CLASS					
Personnel Costs	3,736,734,600	3,965,467,335	4,132,408,638	3,911,484,000	4,076,275,100
Operating Expenses	2,248,244,600	2,415,941,930	2,585,154,322	2,377,467,700	2,528,402,200
Grants Loans Benefits	873,168,900	916,428,881	928,386,657	894,054,000	905,939,100
Debt Service	155,770,900	159,865,700	161,724,700	150,957,700	152,816,700
Capital Outlay	175,655,400	185,969,393	202,012,422	159,736,000	175,779,000
TOTAL EXPENDITURES	7,189,574,400	7,643,673,239	8,009,686,739	7,493,699,400	7,839,212,100
EXPENDITURES BY FUND SOURCE					
General Fund	878,077,100	956,982,239	976,930,939	814,861,400	814,861,400
Restricted Funds	5,494,756,800	5,829,731,100	6,148,662,300	5,820,823,100	6,140,257,200
Federal Fund	816,740,500	858,014,900	884,093,500	858,014,900	884,093,500
TOTAL EXPENDITURES	7,189,574,400	7,644,728,239	8,009,686,739	7,493,699,400	7,839,212,100
EXPENDITURES BY UNIT					
Eastern Kentucky University	352,469,600	418,168,400	425,855,700	395,152,900	402,840,200
Kentucky State University	64,682,300	66,598,139	66,398,239	63,279,000	63,079,100
Morehead State University	198,500,400	208,343,500	211,031,200	202,269,500	204,957,200
Murray State University	194,022,500	199,468,000	199,468,000	190,703,100	190,703,100
Northern Kentucky University	240,235,700	259,969,600	265,883,200	242,691,400	249,107,900
University of Kentucky	3,658,056,500	3,933,450,000	4,234,164,700	3,907,216,600	4,207,931,300
University of Louisville	1,229,507,500	1,249,393,200	1,267,135,400	1,241,095,800	1,258,838,000
Western Kentucky University	401,063,900	425,947,300	430,440,700	413,315,000	417,808,400
Kentucky Community and Technical College System	851,036,000	864,452,600	865,131,600	837,976,100	836,281,100
Postsecondary Education Performance Fund		18,937,500	44,178,000		7,665,800
TOTAL EXPENDITURES	7,189,574,400	7,644,728,239	8,009,686,739	7,493,699,400	7,839,212,100

**Postsecondary Education
Eastern Kentucky University**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	61,723,700	74,759,200	74,759,200	60,651,700	60,025,200
Postsecondary Ed Performance	3,321,500		-626,500		
Budget Reduction-General Fund	-650,500				
Total General Fund	64,394,700	74,759,200	74,132,700	60,651,700	60,025,200
Restricted Funds					
Current Receipts	182,574,900	229,908,000	229,908,000	207,001,200	207,314,400
Total Restricted Funds	182,574,900	229,908,000	229,908,000	207,001,200	207,314,400
Federal Fund					
Current Receipts	105,500,000	127,500,000	135,750,000	127,500,000	135,500,600
Total Federal Fund	105,500,000	127,500,000	135,750,000	127,500,000	135,500,600
TOTAL SOURCE OF FUNDS	352,469,600	432,167,200	439,790,700	395,152,900	402,840,200
EXPENDITURES BY CLASS					
Personnel Costs	204,000,000	239,697,000	241,697,000	225,939,500	227,939,500
Operating Expenses	66,143,700	69,414,500	70,987,800	69,064,500	70,637,800
Grants Loans Benefits	72,472,900	90,052,900	94,052,900	90,052,900	94,052,900
Debt Service	9,853,000	19,004,000	19,118,000	10,096,000	10,210,000
TOTAL EXPENDITURES	352,469,600	418,168,400	425,855,700	395,152,900	402,840,200
EXPENDITURES BY FUND SOURCE					
General Fund	64,394,700	74,759,200	74,132,700	60,651,700	60,025,200
Restricted Funds	182,574,900	215,909,200	216,222,400	207,001,200	207,314,400
Federal Fund	105,500,000	127,500,000	135,500,600	127,500,000	135,500,600
TOTAL EXPENDITURES	352,469,600	418,168,400	425,855,700	395,152,900	402,840,200
EXPENDITURES BY UNIT					
Instruction	126,845,200	134,191,800	133,564,700	132,069,100	131,442,000
Research	1,040,000	1,040,000	1,040,000	1,040,000	1,040,000
Public Service	49,300,000	56,300,000	59,000,000	56,300,000	59,000,000
Libraries	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Academic Support	25,950,000	31,064,600	31,064,600	30,065,000	30,065,000
Student Services	25,450,000	25,450,000	25,763,800	24,800,400	25,114,200
Institutional Support	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000
Operation and Maintenance of Plant	44,349,500	46,000,000	46,000,000	45,378,400	45,378,400
Scholarships and Fellowships	18,000,000	23,000,000	20,300,600	23,000,000	20,300,600
Mandatory Transfers		8,908,000	8,908,000		
Non-Mandatory Transfers		29,714,000	37,714,000	20,000,000	28,000,000
Auxilliary Enterprises	25,534,900	26,500,000	26,500,000	26,500,000	26,500,000
TOTAL EXPENDITURES	352,469,600	418,168,400	425,855,700	395,152,900	402,840,200

Eastern Kentucky University, originally founded as a training school for teachers, has grown into a comprehensive postsecondary institution with approximately 17,000 students. In addition to the main campus in Richmond, ECU operates regional campuses at Corbin, Danville, Manchester and Somerset.

Baccalaureate degree programs are offered in liberal arts and sciences, business and technology, education, health sciences, and the university's program of distinction, justice and public safety. Each academic program requires students to demonstrate effective communication, creativity and critical thinking skills.

Advanced degrees are offered in education, psychology and technology, and doctoral programs in educational leadership, nursing practice and occupational therapy.

Policy

The Executive Budget provides no funding for the Community Operations Board in fiscal years 2019 and 2020.

The Executive Budget provides General Fund in the amount of \$2,050,000 in fiscal years 2019 and 2020 for the Model Lab School.

**Postsecondary Education
Kentucky State University**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	26,729,600	28,378,200	28,178,300	25,059,000	24,859,100
Budget Reduction-General Fund	-267,300				
Total General Fund	26,462,300	28,378,200	28,178,300	25,059,000	24,859,100
Restricted Funds					
Current Receipts	19,220,000	19,220,000	19,220,000	19,220,000	19,220,000
Total Restricted Funds	19,220,000	19,220,000	19,220,000	19,220,000	19,220,000
Federal Fund					
Current Receipts	19,000,000	19,000,000	19,000,000	19,000,000	19,000,000
Total Federal Fund	19,000,000	19,000,000	19,000,000	19,000,000	19,000,000
TOTAL SOURCE OF FUNDS	64,682,300	66,598,200	66,398,300	63,279,000	63,079,100
EXPENDITURES BY CLASS					
Personnel Costs	39,542,700	40,019,835	41,634,338	39,031,200	40,537,100
Operating Expenses	16,988,200	17,790,830	18,202,822	15,602,600	16,195,900
Grants Loans Benefits	6,907,400	7,118,781	5,261,157	6,976,500	5,046,200
Debt Service	700,000	700,000	700,000	700,000	700,000
Capital Outlay	544,000	968,693	599,922	968,700	599,900
TOTAL EXPENDITURES	64,682,300	66,598,139	66,398,239	63,279,000	63,079,100
EXPENDITURES BY FUND SOURCE					
General Fund	26,462,300	28,378,139	28,178,239	25,059,000	24,859,100
Restricted Funds	19,220,000	19,220,000	19,220,000	19,220,000	19,220,000
Federal Fund	19,000,000	19,000,000	19,000,000	19,000,000	19,000,000
TOTAL EXPENDITURES	64,682,300	66,598,139	66,398,239	63,279,000	63,079,100
EXPENDITURES BY UNIT					
Instruction	11,266,600	14,251,796	14,756,725	12,255,400	12,760,300
Research	10,105,300	10,410,384	11,047,904	10,048,900	10,686,400
Public Service	8,623,700	9,334,153	9,603,992	9,006,800	9,276,600
Academic Support	4,307,200	4,599,551	4,696,728	4,437,200	4,534,400
Student Services	6,195,200	6,271,280	6,808,363	6,151,300	6,688,300
Institutional Support	9,992,400	7,603,464	5,238,866	7,378,700	5,014,200
Operation and Maintenance of Plant	5,284,900	5,107,307	5,218,671	4,980,500	5,091,900
Scholarships and Fellowships	6,778,900	6,785,699	6,792,485	6,785,700	6,792,500
Auxilliary Enterprises	2,128,100	2,234,505	2,234,505	2,234,500	2,234,500
TOTAL EXPENDITURES	64,682,300	66,598,139	66,398,239	63,279,000	63,079,100

Like other comprehensive universities, Kentucky State University was founded as a training school for teachers. An historically black university, it is also a land grant institution charged with educating and improving the lives of Kentucky's rural residents. The Cooperative Extension Program complements the research activities of the divisions of agriculture and natural resources, aquaculture, environmental studies and sustainable systems, food and animal science and family and consumer science and provides an avenue for technology transfer of research findings that are relevant to Kentuckians, especially those with limited resources living in rural areas.

In addition to its teaching and agriculture departments, KSU offers traditional liberal arts courses, business, computer science, public administration, nursing and pre-professional education for medicine, dentistry, law, engineering and other fields. Kentucky State provides an opportunity for students, including non-traditional students, who otherwise would not have access to college education.

**Postsecondary Education
Morehead State University**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	39,899,700	44,926,400	44,540,800	38,852,400	38,466,800
Postsecondary Ed Performance	1,742,900				
Budget Reduction-General Fund	-416,400				
Total General Fund	41,226,200	44,926,400	44,540,800	38,852,400	38,466,800
Restricted Funds					
Current Receipts	110,592,400	113,211,900	114,991,300	113,211,900	114,991,300
Total Restricted Funds	110,592,400	113,211,900	114,991,300	113,211,900	114,991,300
Federal Fund					
Current Receipts	46,681,800	50,205,200	51,499,100	50,205,200	51,499,100
Total Federal Fund	46,681,800	50,205,200	51,499,100	50,205,200	51,499,100
TOTAL SOURCE OF FUNDS	198,500,400	208,343,500	211,031,200	202,269,500	204,957,200
EXPENDITURES BY CLASS					
Personnel Costs	94,280,800	99,756,200	100,684,600	96,472,400	97,400,800
Operating Expenses	35,939,800	38,042,600	37,842,300	35,252,400	35,052,100
Grants Loans Benefits	48,385,600	50,650,500	52,610,100	50,650,500	52,610,100
Debt Service	9,611,500	9,611,500	9,611,500	9,611,500	9,611,500
Capital Outlay	10,282,700	10,282,700	10,282,700	10,282,700	10,282,700
TOTAL EXPENDITURES	198,500,400	208,343,500	211,031,200	202,269,500	204,957,200
EXPENDITURES BY FUND SOURCE					
General Fund	41,226,200	44,926,400	44,540,800	38,852,400	38,466,800
Restricted Funds	110,592,400	113,211,900	114,991,300	113,211,900	114,991,300
Federal Fund	46,681,800	50,205,200	51,499,100	50,205,200	51,499,100
TOTAL EXPENDITURES	198,500,400	208,343,500	211,031,200	202,269,500	204,957,200
EXPENDITURES BY UNIT					
Instruction	42,141,300	43,771,900	44,097,300	42,547,600	42,873,000
Research	5,192,700	7,560,000	7,560,000	7,534,200	7,534,200
Public Service	12,003,800	12,381,100	12,419,900	12,213,500	12,252,300
Libraries	3,072,600	3,247,000	3,273,200	3,058,800	3,085,000
Academic Support	11,119,800	10,998,400	11,060,500	10,580,000	10,642,100
Student Services	20,090,000	20,645,500	20,767,500	19,869,200	19,991,200
Institutional Support	17,384,600	18,428,900	18,175,200	17,400,500	17,146,800
Operation and Maintenance of Plant	10,354,300	12,229,100	12,560,500	10,631,500	10,962,900
Scholarships and Fellowships	46,575,100	48,423,600	50,383,200	47,995,800	49,955,400
Mandatory Transfers	4,216,700	4,216,700	4,216,700	4,127,600	4,127,600
Non-Mandatory Transfers	6,175,000	6,175,000	6,175,000	6,044,500	6,044,500
Auxilliary Enterprises	20,174,500	20,266,300	20,342,200	20,266,300	20,342,200
TOTAL EXPENDITURES	198,500,400	208,343,500	211,031,200	202,269,500	204,957,200

Morehead State University has an enrollment of nearly 11,000 students, including its enrollment of high school juniors at the Craft Academy for Excellence in Science and Mathematics.

Morehead's in-state undergraduate tuition is low compared to state peer institutions, and it enrolls the largest percentage of Pell-eligible students. The University strives to provide high quality education while increasing efficiency and productivity. Morehead was the first Kentucky institution to offer a complete degree program on-line.

Morehead's program of distinction is space science. Morehead faculty and undergraduate students have collaborated with students and scientists from around the world to build and launch satellites to explore and carry on important investigations in space. A 21-meter tracking antenna is located on the campus.

Policy

The Executive Budget provides no funding for the Kentucky Folk Art Center in fiscal years 2019 and 2020.

Postsecondary Education

Murray State University

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	43,570,800	50,579,400	50,146,300	41,814,500	41,381,400
Postsecondary Ed Performance	2,231,300				
Budget Reduction-General Fund	-458,000				
Total General Fund	45,344,100	50,579,400	50,146,300	41,814,500	41,381,400
Restricted Funds					
Current Receipts	129,986,300	129,986,300	130,419,400	129,986,300	130,419,400
Total Restricted Funds	129,986,300	129,986,300	130,419,400	129,986,300	130,419,400
Federal Fund					
Current Receipts	18,692,100	18,902,300	18,902,300	18,902,300	18,902,300
Total Federal Fund	18,692,100	18,902,300	18,902,300	18,902,300	18,902,300
TOTAL SOURCE OF FUNDS	194,022,500	199,468,000	199,468,000	190,703,100	190,703,100
EXPENDITURES BY CLASS					
Personnel Costs	116,267,000	121,044,300	121,044,300	116,267,000	116,267,000
Operating Expenses	52,119,600	52,119,600	52,119,600	50,119,600	50,119,600
Grants Loans Benefits	17,310,600	17,978,800	17,978,800	15,991,200	15,991,200
Debt Service	6,657,500	6,657,500	6,657,500	6,657,500	6,657,500
Capital Outlay	1,667,800	1,667,800	1,667,800	1,667,800	1,667,800
TOTAL EXPENDITURES	194,022,500	199,468,000	199,468,000	190,703,100	190,703,100
EXPENDITURES BY FUND SOURCE					
General Fund	45,344,100	50,579,400	50,146,300	41,814,500	41,381,400
Restricted Funds	129,986,300	129,986,300	130,419,400	129,986,300	130,419,400
Federal Fund	18,692,100	18,902,300	18,902,300	18,902,300	18,902,300
TOTAL EXPENDITURES	194,022,500	199,468,000	199,468,000	190,703,100	190,703,100
EXPENDITURES BY UNIT					
Instruction	62,840,000	63,359,500	63,359,500	61,135,700	61,135,700
Research	2,052,500	2,085,700	2,085,700	2,032,000	2,032,000
Public Service	6,302,800	6,615,900	6,615,900	6,086,200	6,086,200
Libraries	3,895,800	4,061,800	4,061,800	3,785,700	3,785,700
Academic Support	5,507,400	5,745,300	5,745,300	5,353,700	5,353,700
Student Services	15,952,300	16,293,200	16,293,200	15,505,000	15,505,000
Institutional Support	25,202,500	26,600,100	26,600,100	24,935,100	24,935,100
Operation and Maintenance of Plant	21,569,400	22,789,400	22,789,400	20,959,700	20,959,700
Scholarships and Fellowships	13,815,000	14,025,200	14,025,200	14,025,200	14,025,200
Mandatory Transfers	6,657,500	6,657,500	6,657,500	6,657,500	6,657,500
Non-Mandatory Transfers	1,280,800	1,280,800	1,280,800	1,280,800	1,280,800
Auxilliary Enterprises	28,946,500	29,953,600	29,953,600	28,946,500	28,946,500
TOTAL EXPENDITURES	194,022,500	199,468,000	199,468,000	190,703,100	190,703,100

Murray State University's total enrollment is approximately 10,000 students. In addition to the main campus in Calloway County, Murray operates regional campuses at Paducah, Madisonville, Hopkinsville, Henderson and Fort Campbell. Cooperation agreements with local community and technical colleges make it possible for students in those locations to earn a four-year degree in education, business, social work or nursing. MSU faculty also provide instructional support for the University of Kentucky's engineering program in Paducah.

In addition to teacher education programs, Murray State University also offers baccalaureate and masters degrees in business, health sciences, agriculture, liberal arts, sciences, engineering and technology. The program of distinction is telecommunications systems management (TSM) and is available at the main campus as well as on-line. About 60% of the students in the TSM Masters degree program are studying on-line. MSU also has an acclaimed on-line MBA program, the largest in the Commonwealth.

Policy

The Executive Budget provides General Fund in the amount of \$1,287,400 in fiscal years 2019 and 2020 for the Breathitt Veterinary Center.

**Postsecondary Education
Northern Kentucky University**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	48,875,200	64,431,800	63,928,800	47,153,600	46,650,600
Postsecondary Ed Performance	2,745,900				
Budget Reduction-General Fund	-516,200				
Total General Fund	51,104,900	64,431,800	63,928,800	47,153,600	46,650,600
Restricted Funds					
Current Receipts	176,055,200	182,462,200	189,381,700	182,462,200	189,381,700
Total Restricted Funds	176,055,200	182,462,200	189,381,700	182,462,200	189,381,700
Federal Fund					
Current Receipts	13,075,600	13,075,600	13,075,600	13,075,600	13,075,600
Total Federal Fund	13,075,600	13,075,600	13,075,600	13,075,600	13,075,600
TOTAL SOURCE OF FUNDS	240,235,700	259,969,600	266,386,100	242,691,400	249,107,900
EXPENDITURES BY CLASS					
Personnel Costs	150,375,300	166,555,600	168,949,900	153,744,900	156,139,200
Operating Expenses	38,918,600	40,652,000	42,005,700	37,239,500	38,041,100
Grants Loans Benefits	35,468,800	36,234,000	38,394,600	36,234,000	38,394,600
Debt Service	6,113,500	6,113,500	6,113,500	6,113,500	6,113,500
Capital Outlay	9,359,500	9,359,500	10,419,500	9,359,500	10,419,500
TOTAL EXPENDITURES	240,235,700	258,914,600	265,883,200	242,691,400	249,107,900
EXPENDITURES BY FUND SOURCE					
General Fund	51,104,900	64,431,800	63,928,800	47,153,600	46,650,600
Restricted Funds	176,055,200	182,462,200	188,878,800	182,462,200	189,381,700
Federal Fund	13,075,600	13,075,600	13,075,600	13,075,600	13,075,600
TOTAL EXPENDITURES	240,235,700	259,969,600	265,883,200	242,691,400	249,107,900
EXPENDITURES BY UNIT					
Instruction	71,001,800	75,877,900	76,970,500	70,929,300	72,524,800
Research	1,169,800	1,171,400	1,291,100	1,166,700	1,286,400
Public Service	10,052,400	10,569,400	10,707,500	9,932,500	10,070,600
Libraries	6,123,100	6,509,500	6,753,000	6,203,900	6,447,400
Academic Support	21,092,600	23,195,100	23,449,600	21,268,600	21,523,100
Student Services	22,351,800	25,522,400	25,634,500	22,532,400	22,644,500
Institutional Support	28,819,100	32,861,700	33,103,800	29,027,500	29,269,600
Operation and Maintenance of Plant	19,805,700	23,076,900	24,106,400	20,678,900	21,708,400
Scholarships and Fellowships	35,045,700	35,810,900	37,971,500	35,577,200	37,737,800
Mandatory Transfers	6,113,500	6,113,500	6,113,500	6,113,500	6,113,500
Non-Mandatory Transfers	1,881,200	1,881,200	1,881,200	1,881,200	1,881,200
Auxilliary Enterprises	16,779,000	17,379,700	17,900,600	17,379,700	17,900,600
TOTAL EXPENDITURES	240,235,700	259,969,600	265,883,200	242,691,400	249,107,900

Northern Kentucky University is the only one of Kentucky's comprehensive universities that did not start as an institution for training teachers. NKU began as a community college under the University of Kentucky and became an autonomous institution by an act of the General Assembly in 1968. Upper division courses were offered beginning in 1971, the same year that Salmon P. Chase College of Law merged with what was then known as Northern Kentucky State College. Today there are over 14,000 students enrolled. Although about one-third are non-residents, the Kentuckians among them come from 106 of the state's 120 counties. Boone, Kenton and Campbell counties in northern Kentucky account for 7,107 students. Due to limited dormitory space, 86% of undergraduates commute.

Between 45% and 50% of NKU's first time, full-time students are first generation college-goers. The university seeks to provide support services that make it possible for all members of its diverse student body to succeed. Academic advisors

use a web-based system to proactively identify students who are “off path” for timely degree completion and suggest changes to guide students to a degree. Another particular focus is on transfer students, reflecting NKU’s continuing connection with Gateway Community and Technical College. Gateway2NKU maintains 39 program pathways for seamless transfer between the institutions. Social work pathway participants, for example, graduate in three semesters after transfer to NKU.

Policy

The Executive Budget provides no funding for the Kentucky Center for Mathematics in fiscal years 2019 and 2020.

**Postsecondary Education
University of Kentucky**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	253,677,400	267,089,200	265,277,300	240,855,800	239,043,900
Postsecondary Ed Performance	13,411,800				
Budget Reduction-General Fund	-2,670,900				
Total General Fund	264,418,300	267,089,200	265,277,300	240,855,800	239,043,900
Restricted Funds					
Current Receipts	3,155,198,700	3,412,380,500	3,698,123,000	3,412,380,500	3,698,123,000
Total Restricted Funds	3,155,198,700	3,412,380,500	3,698,123,000	3,412,380,500	3,698,123,000
Federal Fund					
Current Receipts	238,439,500	253,980,300	270,764,400	253,980,300	270,764,400
Total Federal Fund	238,439,500	253,980,300	270,764,400	253,980,300	270,764,400
TOTAL SOURCE OF FUNDS	3,658,056,500	3,933,450,000	4,234,164,700	3,907,216,600	4,207,931,300
EXPENDITURES BY CLASS					
Personnel Costs	1,776,161,100	1,909,535,500	2,054,072,700	1,909,535,500	2,054,072,700
Operating Expenses	1,453,478,100	1,583,938,500	1,718,542,800	1,583,938,500	1,718,542,800
Grants Loans Benefits	209,432,300	216,172,900	220,654,000	216,172,900	220,654,000
Debt Service	86,842,400	81,786,200	83,531,200	81,786,200	83,531,200
Capital Outlay	132,142,600	142,016,900	157,364,000	115,783,500	131,130,600
TOTAL EXPENDITURES	3,658,056,500	3,933,450,000	4,234,164,700	3,907,216,600	4,207,931,300
EXPENDITURES BY FUND SOURCE					
General Fund	264,418,300	267,089,200	265,277,300	240,855,800	239,043,900
Restricted Funds	3,155,198,700	3,412,380,500	3,698,123,000	3,412,380,500	3,698,123,000
Federal Fund	238,439,500	253,980,300	270,764,400	253,980,300	270,764,400
TOTAL EXPENDITURES	3,658,056,500	3,933,450,000	4,234,164,700	3,907,216,600	4,207,931,300
EXPENDITURES BY UNIT					
Instruction	424,170,600	434,261,100	442,052,300	408,027,700	415,818,900
Research	351,867,800	368,558,700	386,352,100	368,558,700	386,352,100
Public Service	428,885,500	451,248,500	474,928,100	451,248,500	474,928,100
Libraries	27,889,400	28,332,100	29,799,600	28,332,100	29,799,600
Academic Support	100,444,600	103,193,500	106,107,100	103,193,500	106,107,100
Student Services	46,564,300	47,424,100	48,326,300	47,424,100	48,326,300
Institutional Support	145,065,700	146,948,700	147,126,800	146,948,700	147,126,800
Operation and Maintenance of Plant	96,854,600	99,746,300	106,186,400	99,746,300	106,186,400
Scholarships and Fellowships	209,432,300	216,172,900	220,654,000	216,172,900	220,654,000
Mandatory Transfers	19,788,800	14,732,600	16,477,600	14,732,600	16,477,600
Auxilliary Enterprises	227,066,700	248,355,300	267,642,800	248,355,300	267,642,800
Hospitals	1,580,026,200	1,774,476,200	1,988,511,600	1,774,476,200	1,988,511,600
TOTAL EXPENDITURES	3,658,056,500	3,933,450,000	4,234,164,700	3,907,216,600	4,207,931,300

The University of Kentucky is Commonwealth's flagship institution of higher education. It is one of the nation's top research universities and also has an important land grant mission for a state where agriculture is a major economic sector. UK is one of only seven universities in the United States with schools of agriculture, engineering, law, medicine and pharmacy on a single campus. It also maintains professional programs in dentistry, architecture, business, economics, education and social professions.

In fall 2017 UK enrolled 30,474 students, including 83.4% of last year's freshman class who returned as sophomores, the highest retention rate ever.

The University campus is undergoing dramatic physical change. In the past six years, UK has completed, initiated, or approved more than \$2.4 billion in capital investment focused on living, learning, health care, research, and dining spaces.

University researchers employ 8,114 Kentuckians who generate over \$21 million in state and local taxes annually. Currently on-going investigations include problems of aging, cancer, cardiovascular and neuro-generative diseases; renewable fuels and plant-based alternatives for industrial manufacturing; drug development and delivery system design; plant bio-tech; equine health; and materials for medical devices and implants.

Policy

The Executive Budget provides no funding in fiscal years 2019 and 2020 for the following programs: Hospital Direct Support, Agriculture Public Service, the University Press, and the Center for Entrepreneurship.

General Fund in the amount of \$2,063,100 is provided in fiscal years 2019 and 2020 for the Livestock Disease Diagnostic Laboratory.

General Fund in the amount of \$2,673,300 is provided in fiscal years 2019 and 2020 for the Center for Applied Energy Research.

Postsecondary Education
University of Louisville

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	126,177,500	132,758,000	131,437,800	124,460,600	123,140,400
Postsecondary Ed Performance	6,580,500				
Budget Reduction-General Fund	-1,327,600				
Total General Fund	131,430,400	132,758,000	131,437,800	124,460,600	123,140,400
Restricted Funds					
Current Receipts	999,620,600	1,018,178,700	1,037,241,100	1,018,178,700	1,037,241,100
Total Restricted Funds	999,620,600	1,018,178,700	1,037,241,100	1,018,178,700	1,037,241,100
Federal Fund					
Current Receipts	98,456,500	98,456,500	98,456,500	98,456,500	98,456,500
Total Federal Fund	98,456,500	98,456,500	98,456,500	98,456,500	98,456,500
TOTAL SOURCE OF FUNDS	1,229,507,500	1,249,393,200	1,267,135,400	1,241,095,800	1,258,838,000
EXPENDITURES BY CLASS					
Personnel Costs	751,302,700	762,630,500	774,291,000	762,630,500	774,291,000
Operating Expenses	332,577,600	341,135,500	347,217,200	332,838,100	338,919,800
Grants Loans Benefits	114,035,900	114,035,900	114,035,900	114,035,900	114,035,900
Debt Service	19,308,500	19,308,500	19,308,500	19,308,500	19,308,500
Capital Outlay	12,282,800	12,282,800	12,282,800	12,282,800	12,282,800
TOTAL EXPENDITURES	1,229,507,500	1,249,393,200	1,267,135,400	1,241,095,800	1,258,838,000
EXPENDITURES BY FUND SOURCE					
General Fund	131,430,400	132,758,000	131,437,800	124,460,600	123,140,400
Restricted Funds	999,620,600	1,018,178,700	1,037,241,100	1,018,178,700	1,037,241,100
Federal Fund	98,456,500	98,456,500	98,456,500	98,456,500	98,456,500
TOTAL EXPENDITURES	1,229,507,500	1,249,393,200	1,267,135,400	1,241,095,800	1,258,838,000
EXPENDITURES BY UNIT					
Instruction	531,205,700	532,533,300	531,962,100	528,943,300	528,372,100
Research	64,863,400	64,863,400	64,793,800	64,426,100	64,356,500
Public Service	56,848,400	56,848,400	56,787,400	56,465,200	56,404,200
Libraries	18,852,800	18,852,800	18,832,500	18,725,700	18,705,400
Academic Support	137,604,900	137,604,900	137,457,300	136,677,300	136,529,700
Student Services	33,014,000	33,014,000	32,978,600	32,791,400	32,756,000
Institutional Support	80,592,700	80,592,700	80,506,300	80,049,400	79,963,000
Operation and Maintenance of Plant	54,352,700	72,910,800	91,914,900	72,544,400	91,548,500
Scholarships and Fellowships	117,580,500	117,580,500	117,454,400	116,787,900	116,661,800
Mandatory Transfers	19,332,800	19,332,800	19,312,100	19,202,500	19,181,800
Auxilliary Enterprises	113,547,800	113,547,800	113,426,000	112,782,300	112,660,500
Hospitals	1,711,800	1,711,800	1,710,000	1,700,300	1,698,500
TOTAL EXPENDITURES	1,229,507,500	1,249,393,200	1,267,135,400	1,241,095,800	1,258,838,000

The University of Louisville is Kentucky's metropolitan research university, with missions of teaching, research and service. Located in the state's largest city, U of L operates on three campuses: the historic Belknap Campus, the Health Sciences Campus in downtown Louisville's medical complex, and the Shelby Campus in suburban Jefferson County. U of L enrolled 22,640 students in the fall of 2016, with 79.7 percent of the previous fall's freshman class returning. The six-year graduation rate is now 52.8 percent.

U of L researchers received almost \$135 million in grant funding in 2016. The University focuses on translational research, new knowledge and discoveries that can improve people's lives now. The Nucleus facility downtown was developed with innovative tax-increment financing to incubate and accelerate business entities that provide the bridges from the academy into the larger world. The FirstBuild micro-factory on the Belknap campus designs and builds the next generation of home appliances in collaboration with GE Appliances and Local Motors. Medical research focuses on treatment of pediatric spinal cord injuries, biodefense and emerging infectious diseases, and cancer. Development continues at the Shelby Campus where a conference center and hotel are planned.

**Postsecondary Education
Western Kentucky University**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	70,823,600	81,917,100	81,226,500	69,284,800	68,594,200
Postsecondary Ed Performance	3,830,200				
Budget Reduction-General Fund	-746,500				
Total General Fund	73,907,300	81,917,100	81,226,500	69,284,800	68,594,200
Restricted Funds					
Current Receipts	294,816,600	311,690,200	316,874,200	311,690,200	316,874,200
Total Restricted Funds	294,816,600	311,690,200	316,874,200	311,690,200	316,874,200
Federal Fund					
Current Receipts	32,340,000	32,340,000	32,340,000	32,340,000	32,340,000
Total Federal Fund	32,340,000	32,340,000	32,340,000	32,340,000	32,340,000
TOTAL SOURCE OF FUNDS	401,063,900	425,947,300	430,440,700	413,315,000	417,808,400
EXPENDITURES BY CLASS					
Personnel Costs	190,983,000	201,304,300	204,234,500	194,041,000	196,971,200
Operating Expenses	113,036,800	114,370,300	114,502,500	114,370,300	114,502,500
Grants Loans Benefits	76,164,100	89,377,700	90,792,700	84,008,700	85,423,700
Debt Service	16,684,500	16,684,500	16,684,500	16,684,500	16,684,500
Capital Outlay	4,195,500	4,210,500	4,226,500	4,210,500	4,226,500
TOTAL EXPENDITURES	401,063,900	425,947,300	430,440,700	413,315,000	417,808,400
EXPENDITURES BY FUND SOURCE					
General Fund	73,907,300	81,917,100	81,226,500	69,284,800	68,594,200
Restricted Funds	294,816,600	311,690,200	316,874,200	311,690,200	316,874,200
Federal Fund	32,340,000	32,340,000	32,340,000	32,340,000	32,340,000
TOTAL EXPENDITURES	401,063,900	425,947,300	430,440,700	413,315,000	417,808,400
EXPENDITURES BY UNIT					
Instruction	124,071,800	130,457,200	132,051,300	124,245,200	125,839,300
Research	5,940,800	6,039,500	6,057,600	5,913,200	5,931,300
Public Service	10,422,400	10,521,100	10,532,300	10,341,100	10,352,300
Libraries	8,693,200	9,144,500	9,355,900	8,711,800	8,923,200
Academic Support	24,275,200	25,374,000	25,760,700	24,344,500	24,731,200
Student Services	38,762,000	40,021,300	40,419,000	38,792,800	39,190,500
Institutional Support	54,772,200	56,151,000	56,479,300	54,455,100	54,783,400
Operation and Maintenance of Plant	35,491,500	36,522,300	36,837,500	35,170,600	35,485,800
Scholarships and Fellowships	64,076,300	77,157,900	78,388,600	76,782,200	78,012,900
Non-Mandatory Transfers	11,726,500	11,726,500	11,726,500	11,726,500	11,726,500
Auxilliary Enterprises	22,832,000	22,832,000	22,832,000	22,832,000	22,832,000
TOTAL EXPENDITURES	401,063,900	425,947,300	430,440,700	413,315,000	417,808,400

Western Kentucky University is the largest of Kentucky's six comprehensive postsecondary institutions with over 20,000 students on the main campus in Bowling Green and at regional campuses in Glasgow, Owensboro and Elizabethtown. In addition to its traditional mission to train teachers and education leaders for the schools in its service area, WKU provides academic programs in liberal arts and sciences, business, engineering, health sciences and agriculture.

WKU offers 1,700 courses on-line in 80 complete academic programs at the undergraduate and graduate level.

WKU is the home of the Gatton Academy of Mathematics and Science for exceptional Kentucky high school juniors and seniors. The Academy was named the number one high school in the United States in 2012 and 2013 by Newsweek.

Last year 1,460 WKU students participated in study abroad in 32 countries. WKU students also enjoy a global experience through the presence of faculty and fellow students recruited from around the world. The Confucius Institute expands knowledge and strengthens ties with China through language education and arts and cultural programming.

Policy

The Executive Budget includes no funding in fiscal years 2019 and 2020 for the Kentucky Mesonet.

Postsecondary Education
Kentucky Community and Technical College System

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	172,524,700	193,205,500	193,884,500	166,729,000	165,034,000
Postsecondary Ed Performance	9,080,300				
Budget Reduction-General Fund	-1,816,100				
Total General Fund	179,788,900	193,205,500	193,884,500	166,729,000	165,034,000
Restricted Funds					
Current Receipts	426,692,100	426,692,100	426,692,100	426,692,100	426,692,100
Total Restricted Funds	426,692,100	426,692,100	426,692,100	426,692,100	426,692,100
Federal Fund					
Current Receipts	244,555,000	244,555,000	244,555,000	244,555,000	244,555,000
Total Federal Fund	244,555,000	244,555,000	244,555,000	244,555,000	244,555,000
TOTAL SOURCE OF FUNDS	851,036,000	864,452,600	865,131,600	837,976,100	836,281,100
EXPENDITURES BY CLASS					
Personnel Costs	413,822,000	424,924,100	425,800,300	413,822,000	412,656,600
Operating Expenses	139,042,200	139,540,600	139,555,600	139,042,200	138,724,800
Grants Loans Benefits	292,991,300	294,807,400	294,606,500	279,931,400	279,730,500
Capital Outlay	5,180,500	5,180,500	5,169,200	5,180,500	5,169,200
TOTAL EXPENDITURES	851,036,000	864,452,600	865,131,600	837,976,100	836,281,100
EXPENDITURES BY FUND SOURCE					
General Fund	179,788,900	193,205,500	193,884,500	166,729,000	165,034,000
Restricted Funds	426,692,100	426,692,100	426,692,100	426,692,100	426,692,100
Federal Fund	244,555,000	244,555,000	244,555,000	244,555,000	244,555,000
TOTAL EXPENDITURES	851,036,000	864,452,600	865,131,600	837,976,100	836,281,100
EXPENDITURES BY UNIT					
Instruction	250,897,900	258,282,200	258,898,400	248,121,200	247,597,900
Public Service	56,077,200	57,353,200	57,460,300	54,724,700	54,570,600
Libraries	9,815,800	9,931,800	9,928,300	9,576,100	9,548,800
Academic Support	35,959,400	36,887,500	36,989,200	35,185,400	35,097,200
Student Services	75,141,700	75,837,800	75,821,300	73,747,500	73,588,600
Institutional Support	38,527,800	39,919,800	39,923,100	36,056,100	35,774,500
Operation and Maintenance of Plant	92,263,200	93,887,300	93,958,900	89,975,100	89,714,400
Scholarships and Fellowships	292,353,000	292,353,000	292,152,100	290,590,000	290,389,100
TOTAL EXPENDITURES	851,036,000	864,452,600	865,131,600	837,976,100	836,281,100

The Kentucky Community and Technical College System was created in 1997 by the merger of the technical college system in the Cabinet for Workforce Development and the community college system then under the direction of the University of Kentucky. There are 16 community and technical colleges operating at more than 70 locations across the state, with more than 107,000 students enrolled.

The mission of KCTCS is to be a gateway to affordable, high quality postsecondary education. The system maintains an open admissions policy and a robust menu of developmental courses. In addition to industry-specific training leading to portable credentials, the colleges offer a two year academic curriculum designed to transfer to all of Kentucky's four-year institutions.

KCTCS operates more than 140 on-line programs leading to associate degrees and certificates. The system is Kentucky's largest provider of workforce training, reaching nearly 42,000 employees annually.

KCTCS administers the Kentucky Board of Emergency Medical Services and the Kentucky Fire Commission.

Policy

The Executive Budget provides no funding in fiscal years 2019 and 2020 for the Adult Agriculture program or the Kentucky Coal Academy.

Postsecondary Education
Postsecondary Education Performance Fund

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	42,944,400	18,937,500	44,178,000		7,665,800
Postsecondary Ed Performance	-42,944,400				
Total General Fund		18,937,500	44,178,000		7,665,800
TOTAL SOURCE OF FUNDS		18,937,500	44,178,000		7,665,800
EXPENDITURES BY CLASS					
Operating Expenses		18,937,500	44,178,000		7,665,800
TOTAL EXPENDITURES		18,937,500	44,178,000		7,665,800
EXPENDITURES BY FUND SOURCE					
General Fund		18,937,500	44,178,000		7,665,800
TOTAL EXPENDITURES		18,937,500	44,178,000		7,665,800
EXPENDITURES BY UNIT					
Postsecondary Education Performance Fund		18,937,500	44,178,000		7,665,800
TOTAL EXPENDITURES		18,937,500	44,178,000		7,665,800

In the Kentucky Postsecondary Education Improvement Act of 1997, the General Assembly declared that the welfare and well-being of the citizens of the Commonwealth depend on the development of a well-educated and highly trained workforce, and that such education and training is necessary to allow the citizens to achieve a standard of living above the national average. The General Assembly went on describe an integrated system of postsecondary education that would provide that education and training by the year 2020.

Since then the public postsecondary institutions have improved in raising the level of educational attainment of Kentucky's citizens, although not yet to the level of the national average. Education outcomes are not sufficiently aligned with current and future employer needs. To achieve that stated goal, Kentucky must educate and train more of its people, including more of those from low-income families, more members of minority groups, more rural residents, and more working adults who left school prematurely.

The 2017 Regular Session of the General Assembly enacted Senate Bill 153, now codified in KRS 164.092. The bill established a comprehensive funding model for Kentucky's public postsecondary education system to distribute resources based on rational criteria, including student success, course completion, and operational support components. The first allocation from the Postsecondary Education Performance Fund was made in fiscal year 2018.

Policy

KRS 164.092(9)(a)1 includes a hold-harmless provision for fiscal year 2019, preventing a reduction in an institution's funding amount based solely on the performance formula calculation. Thus, no funding is allocated to institutions via the Postsecondary Education Performance Fund in fiscal year 2018-2019. KRS 164.092(9)(a)2 includes a stop-loss provision for fiscal year 2019-2020, limiting the performance-based reduction in funding to any institution to one percent (1%) of that institution's base amount. The Executive Budget includes General Fund in the amount of \$7,665,800 in fiscal year 2019-2020 for the Postsecondary Education Performance Fund, which represents one percent (1%) of the institutions' allocable resources. The amount shall be allocated according to the comprehensive funding model established in KRS 164.092.

Public Protection

	Public Protection				
	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,172,300	8,371,900	9,549,500	7,968,000	8,079,000
Budget Reduction-General Fund	-367,400				
Total General Fund	6,804,900	8,371,900	9,549,500	7,968,000	8,079,000
Restricted Funds					
Balance Forward	81,852,800	68,313,500	76,328,400	68,313,500	53,925,800
Current Receipts	99,441,300	99,616,800	100,536,000	99,616,800	100,536,000
Non-Revenue Receipts	22,228,500	22,553,600	24,231,900	23,890,200	24,075,600
Fund Transfers	-30,850,000			-23,000,000	-24,500,000
Total Restricted Funds	172,672,600	190,483,900	201,096,300	168,820,500	154,037,400
Federal Fund					
Balance Forward	3,500	3,500		3,500	
Current Receipts	1,295,700	857,200	157,200	857,200	157,200
Total Federal Fund	1,299,200	860,700	157,200	860,700	157,200
TOTAL SOURCE OF FUNDS	180,776,700	199,716,500	210,803,000	177,649,200	162,273,600
EXPENDITURES BY CLASS					
Personnel Costs	71,787,800	83,144,800	84,146,800	81,799,100	82,015,000
Operating Expenses	12,771,100	12,665,300	12,665,300	12,680,300	12,680,300
Grants Loans Benefits	25,829,800	25,772,300	25,772,300	25,772,300	25,772,300
Capital Outlay	2,071,000	1,805,700	1,805,500	3,471,700	1,805,500
TOTAL EXPENDITURES	112,459,700	123,388,100	124,389,900	123,723,400	122,273,100
EXPENDITURES BY FUND SOURCE					
General Fund	6,804,900	8,371,900	9,549,500	7,968,000	8,079,000
Restricted Funds	104,359,100	114,155,500	114,683,200	114,894,700	114,036,900
Federal Fund	1,295,700	860,700	157,200	860,700	157,200
TOTAL EXPENDITURES	112,459,700	123,388,100	124,389,900	123,723,400	122,273,100
EXPENDITURES BY UNIT					
Secretary	5,907,000	6,567,300	6,722,200	6,494,100	6,581,000
Professional Licensing	5,193,200	5,948,100	6,044,500	5,768,800	5,819,200
Kentucky Claims Commission	2,364,300	2,585,700	2,620,600	2,496,200	2,515,200
Boxing and Wrestling Commission	161,800	179,100	182,400	178,100	179,600
Alcoholic Beverage Control	7,678,500	8,493,500	8,620,900	8,198,500	8,257,500
Charitable Gaming	3,742,200	4,231,400	4,307,400	4,292,800	4,333,900
Financial Institutions	12,678,500	14,612,500	14,909,600	14,523,000	14,688,700
Horse Racing Commission	32,026,000	33,027,400	33,145,000	32,828,300	32,893,100
Housing, Buildings and Construction	23,197,500	26,852,300	27,362,300	28,094,200	26,704,100
Insurance	19,510,700	20,890,800	20,475,000	20,849,400	20,300,800
TOTAL EXPENDITURES	112,459,700	123,388,100	124,389,900	123,723,400	122,273,100

The Public Protection Cabinet is charged with the supervision and regulation of industries. The mission of the Cabinet is to provide for public safety, consumer protection and financial integrity through enforcement and administration of laws and regulations throughout the Commonwealth. The Cabinet has six departments: Alcoholic Beverage Control, Charitable Gaming, Financial Institutions, Housing, Buildings and Construction, Insurance and Professional Licensing. The Cabinet has commissions attached for administrative purposes only: Kentucky Horse Racing Commission, Boxing & Wrestling Commission and Kentucky Claims Commission. The Office of the Secretary also includes the Office of Communications and Public Outreach and the Office of Legal Services.

**Public Protection
Secretary**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	279,700	289,700	299,700	305,100	309,000
Budget Reduction-General Fund	-32,100				
Total General Fund	247,600	289,700	299,700	305,100	309,000
Restricted Funds					
Balance Forward	1,710,000	2,075,800	702,600	2,075,800	791,200
Non-Revenue Receipts	6,025,200	4,904,400	5,719,900	4,904,400	5,719,900
Total Restricted Funds	7,735,200	6,980,200	6,422,500	6,980,200	6,511,100
TOTAL SOURCE OF FUNDS	7,982,800	7,269,900	6,722,200	7,285,300	6,820,100
EXPENDITURES BY CLASS					
Personnel Costs	5,664,200	6,254,200	6,409,100	6,184,100	6,271,000
Operating Expenses	242,800	313,100	313,100	310,000	310,000
TOTAL EXPENDITURES	5,907,000	6,567,300	6,722,200	6,494,100	6,581,000
EXPENDITURES BY FUND SOURCE					
General Fund	247,600	289,700	299,700	305,100	309,000
Restricted Funds	5,659,400	6,277,600	6,422,500	6,189,000	6,272,000
TOTAL EXPENDITURES	5,907,000	6,567,300	6,722,200	6,494,100	6,581,000
EXPENDITURES BY UNIT					
Office of the Secretary - Comm - Legal	5,907,000	6,567,300	6,722,200	6,494,100	6,581,000
TOTAL EXPENDITURES	5,907,000	6,567,300	6,722,200	6,494,100	6,581,000

A Secretary appointed by the Governor heads the Cabinet. The Secretary is responsible for guiding Departmental agencies in policy and program implementation and is responsible for operating each agency in the most efficient and cost effective manner possible while maintaining a high quality of service to the general public as well as the businesses, trades, and professionals it licenses and regulates.

**Public Protection
Kentucky Claims Commission**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,239,200	1,325,200	1,493,900	1,371,000	1,390,000
Total General Fund	1,239,200	1,325,200	1,493,900	1,371,000	1,390,000
Restricted Funds					
Balance Forward	641,400	517,900	214,400	517,900	349,700
Current Receipts	844,400	799,800	771,100	799,800	771,100
Total Restricted Funds	1,485,800	1,317,700	985,500	1,317,700	1,120,800
Federal Fund					
Current Receipts	157,200	157,200	157,200	157,200	157,200
Total Federal Fund	157,200	157,200	157,200	157,200	157,200
TOTAL SOURCE OF FUNDS	2,882,200	2,800,100	2,636,600	2,845,900	2,668,000
EXPENDITURES BY CLASS					
Personnel Costs	1,410,500	1,592,900	1,627,800	1,523,700	1,542,700
Operating Expenses	678,800	717,800	717,800	697,500	697,500
Grants Loans Benefits	275,000	275,000	275,000	275,000	275,000
TOTAL EXPENDITURES	2,364,300	2,585,700	2,620,600	2,496,200	2,515,200
EXPENDITURES BY FUND SOURCE					
General Fund	1,239,200	1,325,200	1,493,900	1,371,000	1,390,000
Restricted Funds	967,900	1,103,300	969,500	968,000	968,000
Federal Fund	157,200	157,200	157,200	157,200	157,200
TOTAL EXPENDITURES	2,364,300	2,585,700	2,620,600	2,496,200	2,515,200
EXPENDITURES BY UNIT					
Kentucky Claims Commission	808,000	870,000	883,700	819,400	826,800
Kentucky Claims Commission Reparations	1,556,300	1,715,700	1,736,900	1,676,800	1,688,400
TOTAL EXPENDITURES	2,364,300	2,585,700	2,620,600	2,496,200	2,515,200

The Kentucky Claims Commission was created by Executive Order 2016-576 and codified in KRS 49 and combined the former Board of Claims, the Crime Victims Compensation Board and the Kentucky Board of Tax Appeals. The Claims-Administration Section (formerly Board of Claims), Tax Appeals and Crime Victims Compensation share the same Commission members appointed by the Governor.

The Claims Commission is the only forum through which a citizen may sue the state for alleged negligence. Payments to claimants of less than \$5,000 are from funds of the state agency determined to be at fault, awards over \$5,000 are paid from appropriations from the General Fund (ANOC), and awards against the Transportation Cabinet are paid from the Road Fund. The maximum award on a single claim is \$250,000 and there is a cap of \$400,000 on multiple claims arising from the same incident.

The Claims Commission as a payer of last resort is able to reimburse innocent crime victims up to \$25,000 for their medical expenses, lost wages that are not paid by any other source, and include funeral expenses up to \$5,000. The amount of time that a claimant has to submit a claim is five years. The Commission receives an allocation of 3.4 percent of the state court cost fees and pursuant to KRS 186.574 receives 5.7% of the \$30 fee from county attorney's traffic safety programs.

Pursuant to KRS 216B.400 and KRS 49, the Claims Commission is responsible for paying health care providers and facilities for sexual assault examinations. The Commission receives federal funding from the Victims of Crime Act (VOCA) matching grant at 60% based on prior year claims from General and Restricted Funds.

The Claims Commission has exclusive jurisdiction to hear and resolve appeals arising from final rulings, orders, and determinations of any agency of state or county government relating to revenue and taxation.

**Public Protection
Professional Licensing**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		394,800	433,100		
Total General Fund		394,800	433,100		
Restricted Funds					
Balance Forward	5,109,300	4,535,100	3,890,100	4,535,100	3,674,600
Current Receipts	4,745,700	5,017,100	5,024,100	5,017,100	5,024,100
Non-Revenue Receipts	-126,700	-108,800	-138,100	-108,800	-138,100
Total Restricted Funds	9,728,300	9,443,400	8,776,100	9,443,400	8,560,600
TOTAL SOURCE OF FUNDS	9,728,300	9,838,200	9,209,200	9,443,400	8,560,600
EXPENDITURES BY CLASS					
Personnel Costs	3,945,200	4,884,800	4,981,200	4,693,100	4,743,500
Operating Expenses	1,090,500	958,300	958,300	970,700	970,700
Grants Loans Benefits	142,500	105,000	105,000	105,000	105,000
Capital Outlay	15,000				
TOTAL EXPENDITURES	5,193,200	5,948,100	6,044,500	5,768,800	5,819,200
EXPENDITURES BY FUND SOURCE					
General Fund		394,800	433,100		
Restricted Funds	5,193,200	5,553,300	5,611,400	5,768,800	5,819,200
TOTAL EXPENDITURES	5,193,200	5,948,100	6,044,500	5,768,800	5,819,200
EXPENDITURES BY UNIT					
Occupations, Professions, and Licensing	1,479,700	1,874,500	1,912,800	1,704,600	1,724,100
Kentucky Real Estate Authority	3,713,500	4,073,600	4,131,700	4,064,200	4,095,100
TOTAL EXPENDITURES	5,193,200	5,948,100	6,044,500	5,768,800	5,819,200

The 2017 General Assembly codified Executive Order 2017-325 in HB443 to establish the Department of Professional Licensing that altered the Office of Occupations and Professions. The Department provides oversight, administrative and fiscal management, technical support and advice to the professional licensing boards.

Executive Order 2016-859 was codified in KRS 324B.020 to establish the Kentucky Real Estate Authority within the Department in order to provide oversight of the over four professional licensing boards that serve functions in the real estate industry. The four boards were abolished and the Board of Real Estate Professionals, Kentucky Board of Real Estate Appraisers, Board of Home Inspectors and Kentucky Board of Auctioneers were recreated under the Authority. Each board under the Authority has five voting members and an Executive Director. The Real Estate Authority utilizes the administrative support services provided by the Department of Professional Licensing.

Public Protection
Boxing and Wrestling Commission

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	258,500	214,700	170,900	214,700	171,900
Current Receipts	118,000	135,300	138,600	135,300	138,600
Total Restricted Funds	376,500	350,000	309,500	350,000	310,500
TOTAL SOURCE OF FUNDS	376,500	350,000	309,500	350,000	310,500
EXPENDITURES BY CLASS					
Personnel Costs	140,200	166,600	169,900	165,400	166,900
Operating Expenses	21,600	12,500	12,500	12,700	12,700
TOTAL EXPENDITURES	161,800	179,100	182,400	178,100	179,600
EXPENDITURES BY FUND SOURCE					
Restricted Funds	161,800	179,100	182,400	178,100	179,600
TOTAL EXPENDITURES	161,800	179,100	182,400	178,100	179,600
EXPENDITURES BY UNIT					
Boxing and Wrestling Commission	161,800	179,100	182,400	178,100	179,600
TOTAL EXPENDITURES	161,800	179,100	182,400	178,100	179,600

The Boxing and Wrestling Commission, pursuant to KRS Chapter 229, is the sole authority over professional boxing, wrestling, and amateur and professional mixed martial arts (MMA) shows or exhibitions in Kentucky. The five Commission board members are appointed by the Governor and recommend statutory and regulatory changes, review applications for licensure and review recommendations from the Kentucky Boxing and Wrestling Commission Medical Advisory Panel. The Commission is responsible for enforcement of KRS Chapter 229 and 201 KAR Chapter 27 including investigation of complaints and issuance of violations, processing licenses for all parties involved including: professional and amateur MMA contestants, professional boxers, professional wrestlers, managers, trainers, referees, judges, timekeepers, physicians, promoters, and event staff. Requested show dates and participants are subject to the Commission review and approval. All wrestling events undergo inspection on a random basis and a Commission Inspector supervises all boxing and MMA events.

**Public Protection
Alcoholic Beverage Control**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	591,700	591,700	591,700	588,800	591,900
Budget Reduction-General Fund	-67,900				
Total General Fund	523,800	591,700	591,700	588,800	591,900
Restricted Funds					
Balance Forward	2,939,500	2,891,300	2,244,100	2,891,300	2,536,200
Current Receipts	7,888,100	7,924,100	7,949,100	7,924,100	7,949,100
Non-Revenue Receipts	-481,600	-669,500	-507,100	-669,500	-507,100
Fund Transfers	-300,000				-1,500,000
Total Restricted Funds	10,046,000	10,145,900	9,686,100	10,145,900	8,478,200
TOTAL SOURCE OF FUNDS	10,569,800	10,737,600	10,277,800	10,734,700	9,070,100
EXPENDITURES BY CLASS					
Personnel Costs	6,075,100	6,906,800	7,034,200	6,587,700	6,646,700
Operating Expenses	1,123,400	1,121,700	1,121,700	1,145,800	1,145,800
Capital Outlay	480,000	465,000	465,000	465,000	465,000
TOTAL EXPENDITURES	7,678,500	8,493,500	8,620,900	8,198,500	8,257,500
EXPENDITURES BY FUND SOURCE					
General Fund	523,800	591,700	591,700	588,800	591,900
Restricted Funds	7,154,700	7,901,800	8,029,200	7,609,700	7,665,600
TOTAL EXPENDITURES	7,678,500	8,493,500	8,620,900	8,198,500	8,257,500
EXPENDITURES BY UNIT					
Administration, Enforcement and License	7,290,900	8,493,500	8,620,900	7,922,200	7,979,700
Tobacco Enforcement	387,600			276,300	277,800
TOTAL EXPENDITURES	7,678,500	8,493,500	8,620,900	8,198,500	8,257,500

The Department of Alcoholic Beverage Control (ABC), pursuant to KRS Chapters 241-244, enforces laws relating to the manufacture, sale, transportation, storage, and advertising of alcoholic beverages.

The Commissioner of the Department serves as both the agency's administrative officer and the Chairman of the Alcoholic Beverage Control Board, which also includes the directors of the Malt Beverage and Distilled Spirits divisions. The Secretary of the Public Protection Cabinet, with the approval of the Governor, appoints all three board members.

In exercising its quasi-judicial authority, the ABC Board may suspend, revoke, or cancel for cause, after hearing, any license issued due to violation of alcoholic beverage laws. The ABC Board also conducts hearings for and appeals from an applicant whose license is refused by city or county administrators.

The Department has enforcement officers assigned throughout the state who conduct investigations, make regular inspections, and otherwise monitor compliance with ABC laws.

The Department also implements laws, pursuant to KRS 438.300 – 438.330, relating to the use, display, sell or distribution of tobacco products with an emphasis on persons under the age of 18.

**Public Protection
Charitable Gaming**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	2,955,800	2,972,100	2,514,400	2,972,100	2,453,000
Current Receipts	3,732,300	3,747,500	3,748,400	3,747,500	3,748,400
Non-Revenue Receipts	26,200	26,200	26,200	26,200	26,200
Total Restricted Funds	6,714,300	6,745,800	6,289,000	6,745,800	6,227,600
TOTAL SOURCE OF FUNDS	6,714,300	6,745,800	6,289,000	6,745,800	6,227,600
EXPENDITURES BY CLASS					
Personnel Costs	3,096,400	3,602,200	3,678,200	3,574,600	3,615,700
Operating Expenses	521,700	526,700	526,700	615,700	615,700
Grants Loans Benefits	2,500	2,500	2,500	2,500	2,500
Capital Outlay	121,600	100,000	100,000	100,000	100,000
TOTAL EXPENDITURES	3,742,200	4,231,400	4,307,400	4,292,800	4,333,900
EXPENDITURES BY FUND SOURCE					
Restricted Funds	3,742,200	4,231,400	4,307,400	4,292,800	4,333,900
TOTAL EXPENDITURES	3,742,200	4,231,400	4,307,400	4,292,800	4,333,900
EXPENDITURES BY UNIT					
Charitable Gaming	3,742,200	4,231,400	4,307,400	4,292,800	4,333,900
TOTAL EXPENDITURES	3,742,200	4,231,400	4,307,400	4,292,800	4,333,900

The Department of Charitable Gaming, pursuant to KRS Chapter 238, is responsible for the licensure and regulation of charitable organizations, facilities, distributors, and manufacturers involved with charitable gaming in the Commonwealth. The agency performs inspections, issues licenses, conducts audits and criminal investigations of charitable gaming establishments.

**Public Protection
Financial Institutions**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	6,835,700	4,576,500	5,782,600	4,576,500	2,872,100
Current Receipts	17,598,000	17,351,000	17,376,000	17,351,000	17,376,000
Non-Revenue Receipts	-1,678,700	-1,532,400	-1,668,000	-1,532,400	-1,668,000
Fund Transfers	-5,500,000			-3,000,000	-3,000,000
Total Restricted Funds	17,255,000	20,395,100	21,490,600	17,395,100	15,580,100
TOTAL SOURCE OF FUNDS	17,255,000	20,395,100	21,490,600	17,395,100	15,580,100
EXPENDITURES BY CLASS					
Personnel Costs	10,907,000	12,690,400	12,987,500	12,588,100	12,753,800
Operating Expenses	1,771,500	1,922,100	1,922,100	1,934,900	1,934,900
TOTAL EXPENDITURES	12,678,500	14,612,500	14,909,600	14,523,000	14,688,700
EXPENDITURES BY FUND SOURCE					
Restricted Funds	12,678,500	14,612,500	14,909,600	14,523,000	14,688,700
TOTAL EXPENDITURES	12,678,500	14,612,500	14,909,600	14,523,000	14,688,700
EXPENDITURES BY UNIT					
Administrative Services	1,690,400	1,936,800	1,974,000	1,925,800	1,947,000
Securities	1,944,700	2,249,300	2,297,300	2,236,400	2,262,600
Depository Institutions	5,919,100	6,795,000	6,928,600	6,751,400	6,826,200
Non-Depository Institutions	3,124,300	3,631,400	3,709,700	3,609,400	3,652,900
TOTAL EXPENDITURES	12,678,500	14,612,500	14,909,600	14,523,000	14,688,700

The Department of Financial Institutions, pursuant to KRS Chapter 286, licenses and regulates banks, bank holding companies, trust companies, credit unions, savings and loan associations, consumer loan companies, industrial loan companies, mortgage loan companies, mortgage loan brokers, check cashing licensees, sale of check licensees, securities issuers, broker-dealers, agents, and investment advisors. A Commissioner appointed by the Governor heads the Department.

The Commissioner's Office is responsible for the overall management of the agency. The Public Information Officer is part of the Commissioner's office and is responsible for all communications with the media and handling the department's public relations efforts through coordination of educational seminars, brochures, and newsletters.

The Division of Securities carries out the registration of securities issuances in the state. The Division registers broker-dealers, their agents, investment advisers, and investment adviser representatives, and conducts on-site examinations of these regulated entities. The Division investigates allegations of securities fraud or other illegal conduct entities involved in the securities industry that is operating within Kentucky.

The Division of Depository Institutions licenses/charters, examines and regulates depository financial institutions within the Bank Branch and Credit Union Branch. The Bank Branch is responsible for the examination and supervision of commercial banks, bank holding companies, and independent trust companies. The Credit Union Branch is responsible for examination and supervision of all state chartered credit unions.

The Division of Non-Depository Institutions includes both the Compliance Branch and Consumer Protection Branch. The Compliance branch is responsible for the examination and supervision of consumer loan companies, industrial loan companies, mortgage loan companies, mortgage loan brokers, check cashing licensees, and money transmitters. The Consumer Protection Branch is responsible for the investigation of complaints and provides outreach and education to protect consumers from financial frauds.

**Public Protection
Horse Racing Commission**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,647,200	3,085,400	3,440,800	3,092,300	3,147,700
Budget Reduction-General Fund	-267,400				
Total General Fund	2,379,800	3,085,400	3,440,800	3,092,300	3,147,700
Restricted Funds					
Balance Forward	33,248,400	31,114,000	29,008,300	31,114,000	29,186,000
Current Receipts	4,094,400	4,586,500	4,884,200	4,586,500	4,884,200
Non-Revenue Receipts	23,417,400	23,249,800	23,341,300	23,221,500	23,310,700
Total Restricted Funds	60,760,200	58,950,300	57,233,800	58,922,000	57,380,900
TOTAL SOURCE OF FUNDS	63,140,000	62,035,700	60,674,600	62,014,300	60,528,600
EXPENDITURES BY CLASS					
Personnel Costs	5,337,800	6,398,400	6,516,000	6,219,700	6,284,500
Operating Expenses	1,200,400	1,161,200	1,161,200	1,140,800	1,140,800
Grants Loans Benefits	25,409,800	25,389,800	25,389,800	25,389,800	25,389,800
Capital Outlay	78,000	78,000	78,000	78,000	78,000
TOTAL EXPENDITURES	32,026,000	33,027,400	33,145,000	32,828,300	32,893,100
EXPENDITURES BY FUND SOURCE					
General Fund	2,379,800	3,085,400	3,440,800	3,092,300	3,147,700
Restricted Funds	29,646,200	29,942,000	29,704,200	29,736,000	29,745,400
TOTAL EXPENDITURES	32,026,000	33,027,400	33,145,000	32,828,300	32,893,100
EXPENDITURES BY UNIT					
Administration and Regulation of Racing	4,948,500	5,902,600	6,009,500	5,706,900	5,765,900
Equine Drug Research Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Thoroughbred Development Fund	8,451,900	8,451,900	8,451,900	8,451,900	8,451,900
Standardbred Development Fund	1,550,000	1,550,000	1,550,000	1,550,000	1,550,000
Standardbred Horsemen Fees	395,000	395,000	395,000	395,000	395,000
Ky Quarter Horse, Appaloosa & Arabian Development Fund	20,000	20,000	20,000	20,000	20,000
County Fair Purse Fund	89,300	89,300	89,300	89,300	89,300
Backside Improvement Commission	300,400	300,400	300,400	300,400	300,400
Ky Thoroughbred Breeder Incentive Fund	12,285,900	12,353,200	12,363,900	12,349,800	12,355,600
Ky Standardbred Breeder Incentive Fund	1,715,000	1,715,000	1,715,000	1,715,000	1,715,000
Ky Horse Breeders Incentive Fund	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
KY Quarter Horse, Appaloosa & Arabian Purse Fund	20,000				
TOTAL EXPENDITURES	32,026,000	33,027,400	33,145,000	32,828,300	32,893,100

The Kentucky Horse Racing Commission, pursuant to KRS 230.225, is responsible for the regulation of horse racing, pari-mutuel wagering on horse racing and related activities in the Commonwealth. The Commission is also charged with fostering and encouraging the equine breeding industry within the Commonwealth. The Commission prescribes the rules, regulations, and conditions under which all Thoroughbred, Standardbred, Quarter Horse, Appaloosa, and Arabian racing and pari-mutuel wagering thereon may be conducted in the Commonwealth.

The Commission's charge is to:

- Recommend tax incentives and other options to promote the strength and growth of the equine industry and to preserve the economic viability of Kentucky's horse farms;

- Design and implement programs that strengthen the ties between Kentucky's horse industry and the state's universities, with the goal of increasing the horse industry's impact on the state's economy;
- Developing and supporting programs which ensure that Kentucky remains a national leader in equine research;
- Develop programs and procedures which will aggressively fulfill its oversight on such matters as race day medications and other medication issues;
- Develop and implement programs designed to ensure the safety of all participants in horse racing including jockeys, drivers and horses; and
- Develop and implement programs and procedures that protect the integrity of pari-mutuel horse racing.

The Commission is an independent agency that is attached to the Public Protection Cabinet for administrative purposes only.

The Administration and Regulation of Racing program performs the administrative and oversight functions of the Commission. The Division of Veterinary Services oversees the state veterinarians and support staff. The Division of Racing & Security supervises drug testing and interdiction at racetracks. The Division of Licensing is responsible for licensing all individuals who participate in horse racing. The Division of Incentives and Development including the Kentucky Thoroughbred, Standardbred, and Horse Breeders' Incentive Funds provide rewards to breeders of horses bred and foaled in Kentucky. Incentive funds are derived from sales taxes paid on stud fees.

The Equine Drug Research Council, KRS 230.265, advises the Commission on research and on the regulation of therapeutic medications and prohibited substances. One-tenth of one percent of the thoroughbred pari-mutuel handle supports the Council. Funds are used to support drug research and testing, equine medical research, equine health research or any regulatory or administrative activity of the Commission that is related to such research.

The Thoroughbred Development Fund, KRS 230.400, was created in 1978 to encourage breeders from other states to send their breeding stock to Kentucky to improve the caliber of breeding and racing stock in the Commonwealth. The program is funded by three-fourth of one percent of the total pari-mutuel handle and the funds are distributed as purse supplements to the owner of the horse.

The Standardbred Development Fund, KRS 230.770, supports efforts to encourage breeders from other states to send their breeding stock to Kentucky, to increase the number of owners in Kentucky, and to increase the number of horses bred in Kentucky. It receives one percent of the pari-mutuel handle and the funds are distributed as purses for the Kentucky Sire Stakes.

The Kentucky Quarter Horse, Appaloosa and Arabian Development Fund was established during the 2010 General Assembly to promote races and provide purses for races for horses bred and foaled in the Commonwealth. The Kentucky Horse Racing Commission is responsible for distributing the funds to persons, corporations or associations operating licensed tracks within Kentucky conducting Quarter Horse, Appaloosa or Arabian horse racing.

The County Fair Purse Fund, KRS 230.398, receives funding from pari-mutuel standardbred racing tickets not redeemed and four percent of the commissions on wagers at simulcast facilities and redistributes the funds in the form of purse supplements for standardbred racing events to county fairs.

The Backside Improvement Fund, KRS 230.218, is charged with promoting, enhancing, and improving the backsides of eligible thoroughbred racing associations with an average pari-mutuel handle of \$1,200,000 or less per racing day. Associations conducting thoroughbred racing, with an average pari-mutuel handle of \$1,200,000 or less per live racing day, are required to pay one-half of one percent of on-track wagers to the Backside Improvement Fund.

The Thoroughbred Owners and Breeders Fund, KRS 230.380, receives six percent of the commissions on wagers at simulcast facilities to fund capital improvements and promote off-track betting. It also supports marketing and promotion of the Kentucky thoroughbred industry.

Public Protection
Housing, Buildings and Construction

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,414,500	2,685,100	3,290,300	2,610,800	2,640,400
Total General Fund	2,414,500	2,685,100	3,290,300	2,610,800	2,640,400
Restricted Funds					
Balance Forward	13,462,400	13,284,300	8,556,100	13,284,300	8,569,900
Current Receipts	20,746,100	20,863,000	20,938,000	20,863,000	20,938,000
Non-Revenue Receipts	-141,200	-1,424,000	-102,300	-94,000	-102,300
Total Restricted Funds	34,067,300	32,723,300	29,391,800	34,053,300	29,405,600
TOTAL SOURCE OF FUNDS	36,481,800	35,408,400	32,682,100	36,664,100	32,046,000
EXPENDITURES BY CLASS					
Personnel Costs	17,744,300	21,737,600	22,247,800	21,460,300	21,736,400
Operating Expenses	4,076,800	3,952,000	3,952,000	3,805,200	3,805,200
Capital Outlay	1,376,400	1,162,700	1,162,500	2,828,700	1,162,500
TOTAL EXPENDITURES	23,197,500	26,852,300	27,362,300	28,094,200	26,704,100
EXPENDITURES BY FUND SOURCE					
General Fund	2,414,500	2,685,100	3,290,300	2,610,800	2,640,400
Restricted Funds	20,783,000	24,167,200	24,072,000	25,483,400	24,063,700
TOTAL EXPENDITURES	23,197,500	26,852,300	27,362,300	28,094,200	26,704,100
EXPENDITURES BY UNIT					
General Administration and Management	1,916,900	2,035,700	2,076,000	3,688,100	2,044,200
Fire Prevention	1,460,300	1,793,300	1,819,200	1,678,300	1,693,300
Boiler Inspections	984,500	1,233,100	1,255,400	1,215,600	1,226,800
Hazardous Materials Inspections	896,000	1,019,300	1,038,000	986,200	996,300
Manufactured Housing Inspections	632,300	727,500	741,500	722,600	730,300
General Inspections	1,741,200	2,006,100	2,044,400	1,881,800	1,902,400
Sprinkler/Alarm Inspections	95,800	109,700	111,800	108,600	109,700
Elevator Inspections	1,231,700	1,410,000	1,435,800	1,400,800	1,415,000
Plumbing	6,330,900	7,318,100	7,465,800	7,268,600	7,347,900
Safe Cigarette Program	6,000	6,000	6,000	6,000	6,000
HVAC	2,791,700	3,176,400	3,236,400	3,159,200	3,191,700
Building Codes Enforcement	3,381,700	3,872,200	3,946,800	3,846,200	3,886,500
Electrical	1,728,500	2,144,900	2,185,200	2,132,200	2,154,000
TOTAL EXPENDITURES	23,197,500	26,852,300	27,362,300	28,094,200	26,704,100

The Department of Housing, Buildings and Construction, pursuant to KRS Chapter 198B, regulates all construction of buildings through enforcement of building and fire codes, including: elevators, boilers, manufactured housing, hazardous materials, HVAC and electrical, sprinkler and plumbing installation. The agency enforces a uniform building code for the Commonwealth with a building inspection program that is designed to prevent fire- and life-safety hazards.

The Division of Fire Prevention enforces the Kentucky Standards of Safety (815 KAR 10:060) in addition to state and federal laws and regulations by performing property inspections, reviewing plans and issuing permits for the underground storage tanks, and educating the public about fire safety. The State Fire Marshal's Office implements a Sprinkler Inspection Program for all state owned properties under a memorandum of agreement. The Administrative Section of the Fire Prevention Division supports the activities of the General Inspection Section, the Hazardous Materials Section, the Sprinklers and Alarms Certification Section, the Safe Cigarette Program and expanded Fireworks Program.

The Division of Plumbing, a fee-supported program, enforces the Kentucky State Plumbing code (KRS 318.130; 815 KAR Chapter 20). Duties of the Division include: installation inspections of all plumbing systems throughout the state; approval of plumbing plans for all public buildings; testing of applicants for licensure; issuing renewal licenses to master and journeyman plumbers, and assisting the State Plumbing Code Committee in its review of plumbing code administrative

regulations. The Division of Plumbing, a fee-supported program, enforces the Kentucky State Plumbing code (KRS 318.130; 815 KAR Chapter 20). Duties of the Division include: installation inspections of all plumbing systems throughout the state; approval of plumbing plans for all public buildings; testing of applicants for licensure; issuing renewal licenses to master and journeyman plumbers, and assisting the State Plumbing Code Committee in its review of plumbing code administrative regulations. The Plumbing Code Committee, among other duties, reviews and recommends new materials and techniques to be included in the approved parts and materials lists of the Kentucky State Plumbing Code. The Division may pursue sanctions and penalties against both licensed and unlicensed individuals performing plumbing.

The Division of Heating, Ventilation, and Air Conditioning (HVAC) is responsible for annual licensing and oversight of the heating, ventilation, and air conditioning contractors, journeymen, and apprentices. The HVAC Board promulgates administrative regulations relating to all aspects of the HVAC industry, conducts examinations, maintains all licensure information, registers apprentices and may pursue sanctions against licensees and criminal penalties against unlicensed persons engaging in activities requiring an HVAC license. The Board approves continuing education providers, programs and scheduling for HVAC masters and journeymen. On January 1, 2011, the Division began the Statewide Permitting and Inspection Program under the provisions of KRS 198B.6678 and is mandated to make the inspections within a specified timeframe as set out in KRS 198B.6672 for both residential and commercial HVAC installations.

The Division of Building Codes Enforcement provides overall coordination and enforcement of the Kentucky Building Code (815 KAR 7:120) and the Kentucky Residential Code (815 KAR 7:125). The division includes plan review and field inspection and manufactured housing sections. Among the duties of this division are inspection, plan review, licensing, investigation, and technical consulting services to the construction industry. The Division is funded primarily from plan review fees.

The Division of Electrical is composed of the Electrical Licensing and Electrical Inspection Sections. The Electrical Division enforces the mandates contained within KRS Chapter 227A and KRS 224.450-530 to protect the public through regulation, licensure and inspection of the electrical industry.

**Public Protection
Insurance**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	14,691,800	6,131,800	23,244,900	6,131,800	3,321,200
Current Receipts	39,674,300	39,192,500	39,706,500	39,192,500	39,706,500
Non-Revenue Receipts	-4,812,100	-1,892,100	-2,440,000	-1,857,200	-2,565,700
Fund Transfers	-25,050,000			-20,000,000	-20,000,000
Total Restricted Funds	24,504,000	43,432,200	60,511,400	23,467,100	20,462,000
Federal Fund					
Balance Forward	3,500	3,500		3,500	
Current Receipts	1,138,500	700,000		700,000	
Total Federal Fund	1,142,000	703,500		703,500	
TOTAL SOURCE OF FUNDS	25,646,000	44,135,700	60,511,400	24,170,600	20,462,000
EXPENDITURES BY CLASS					
Personnel Costs	17,467,100	18,910,900	18,495,100	18,802,400	18,253,800
Operating Expenses	2,043,600	1,979,900	1,979,900	2,047,000	2,047,000
TOTAL EXPENDITURES	19,510,700	20,890,800	20,475,000	20,849,400	20,300,800
EXPENDITURES BY FUND SOURCE					
Restricted Funds	18,372,200	20,187,300	20,475,000	20,145,900	20,300,800
Federal Fund	1,138,500	703,500		703,500	
TOTAL EXPENDITURES	19,510,700	20,890,800	20,475,000	20,849,400	20,300,800
EXPENDITURES BY UNIT					
Executive Director and Administration	1,523,400	1,732,000	1,765,200	1,725,500	1,744,000
Administrative Services	2,193,200	2,460,600	2,502,500	2,445,000	2,466,700
Financial Standards and Examination	3,843,000	3,969,000	3,738,900	3,981,400	3,742,300
Agent Licensing	1,877,700	2,054,700	2,082,300	2,055,800	2,070,700
Consumer Protection	3,212,500	3,542,300	3,344,600	3,550,000	3,330,100
Insurance Fraud Investigation	1,688,300	1,899,400	1,934,100	1,872,000	1,887,500
Mine Subsidence Program	197,600	208,300	210,000	208,400	209,400
Insurance Product Regulation	4,975,000	5,024,500	4,897,400	5,011,300	4,850,100
TOTAL EXPENDITURES	19,510,700	20,890,800	20,475,000	20,849,400	20,300,800

The Department of Insurance, pursuant to KRS Chapter 304, has the authority to license, supervise, and regulate insurance companies doing business in Kentucky.

The Commissioner is responsible for the overall policy, planning, direction, and management of all divisions within the Department. It is the responsibility of the Commissioner to oversee the manner in which the business of insurance is conducted in Kentucky. The Commissioner is charged with protecting the public interest, promoting viable markets, and assuring fair treatment of insurance consumers. An ombudsman provides additional assistance to consumers.

In 2017 General Assembly, HB242 established new divisions within the Department of Insurance.

The Division of Product Regulation was created by combining the previous Health and Life Division and Property and Casualty Division. The Health and Life Branch regulates insurance companies selling health, life and disability products. The Division approves policies, certificates, provider networks, quality improvement programs, and rate filings. The Division reviews promotional literature and activities for the protection of the public. The Division handles inquiries about Medicare and long-term care insurance. The Division is responsible for conducting research on strategies related to financial services modernization. The Property and Casualty Branch regulates coverage and marketing practices of property and casualty insurers. Through its annual review of property and casualty insurance rate and form filings, the Division ensures that companies comply with the standards set forth in the Kentucky Insurance Code. The Division is also responsible for reporting medical malpractice claims, recording of no-fault rejections (tort liability), and verifying such rejection. It is responsible for the regulation of surplus lines insurance.

The Financial Standards and Examination Division protects consumers by ensuring the financial solvency of insurers authorized to do business in Kentucky. The Division is responsible for conducting financial examinations, financial analyses, and providing administrative oversight of the insurance industry.

The Insurance Fraud Investigation Division is the Department's enforcement unit empowered to conduct criminal investigations of suspected fraudulent insurance acts. Insurance-related fraud may be committed by applicants for insurance, policyholders, third party claimants, agents, and providers of services who are paid by insurance.

The Agent Licensing Division makes certain that only knowledgeable and qualified insurance representatives sell insurance products to Kentucky consumers. The Division administers examinations, monitors continuing education courses, and licenses agents.

The Consumer Protection Division is the main link between the Department and the citizens of the Commonwealth. The Division also administers the emergency response program, which provides on-site assistance to citizens or communities affected by insured disasters within the Commonwealth. The Market Conduct unit of Consumer Protection observes and analyzes the business practices of insurers.

The Division of Administrative Services provides administrative and technological support to the Department through accounting, budgeting, purchasing, human resource, telecommunications, property management and mail center operations.

Tourism, Arts and Heritage

Tourism, Arts and Heritage

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	57,947,500	86,190,500	93,836,700	67,831,400	70,130,400
Current Year Appropriation	8,831,600				
Budget Reduction-General Fund	-936,900				
Total General Fund	65,842,200	86,190,500	93,836,700	67,831,400	70,130,400
Restricted Funds					
Balance Forward	109,676,200	109,640,900	103,540,300	109,640,900	103,693,100
Current Receipts	165,685,800	172,586,400	173,640,300	170,986,400	171,288,600
Non-Revenue Receipts	-7,769,500	-7,703,500	-7,699,900	-7,703,500	-7,699,900
Total Restricted Funds	267,592,500	274,523,800	269,480,700	272,923,800	267,281,800
Federal Fund					
Balance Forward	11,725,200	11,725,200	9,582,500	11,725,200	10,075,700
Current Receipts	18,960,200	18,983,000	18,976,400	18,983,000	18,976,400
Total Federal Fund	30,685,400	30,708,200	28,558,900	30,708,200	29,052,100
Road Fund					
Regular Appropriation	445,200	445,200	445,200	544,000	553,000
Total Road Fund	445,200	445,200	445,200	544,000	553,000
TOTAL SOURCE OF FUNDS	364,565,300	391,867,700	392,321,500	372,007,400	367,017,300
EXPENDITURES BY CLASS					
Personnel Costs	150,767,200	171,982,900	175,196,200	164,814,300	166,472,200
Operating Expenses	79,615,800	86,216,200	87,320,900	79,238,400	79,464,800
Grants Loans Benefits	8,012,200	8,041,200	8,041,200	7,759,300	7,759,300
Debt Service	2,555,800	9,200,800	14,796,800	3,122,800	4,446,300
Capital Outlay	2,248,200	3,303,800	3,267,200	3,303,800	3,267,200
TOTAL EXPENDITURES	243,199,200	278,744,900	288,622,300	258,238,600	261,409,800
EXPENDITURES BY FUND SOURCE					
General Fund	65,842,200	86,190,500	93,836,700	67,831,400	70,130,400
Restricted Funds	157,951,600	170,983,500	172,889,300	169,230,700	169,953,200
Federal Fund	18,960,200	21,125,700	21,451,100	20,632,500	20,773,200
Road Fund	445,200	445,200	445,200	544,000	553,000
TOTAL EXPENDITURES	243,199,200	278,744,900	288,622,300	258,238,600	261,409,800
EXPENDITURES BY UNIT					
Secretary	16,685,200	18,964,800	19,131,700	17,861,900	17,916,900
Artisans Center	2,423,300	2,963,900	3,000,600	2,627,800	2,641,200
Kentucky Department of Tourism	2,867,500	3,366,600	3,439,200	3,017,100	3,057,000
Parks	91,565,400	106,981,900	112,833,600	98,283,100	99,844,900
Horse Park Commission	14,353,600	13,643,800	13,943,100	12,553,700	12,792,500
State Fair Board	47,462,600	57,428,200	59,599,800	51,426,100	51,938,000
Fish and Wildlife Resources	55,454,200	61,380,100	62,560,400	60,951,900	61,630,300
Historical Society	6,168,600	7,009,800	7,033,300	6,531,500	6,580,200
Arts Council	3,488,200	3,736,100	3,773,400	2,568,800	2,589,000
Heritage Council	1,847,000	2,354,600	2,392,100	1,858,400	1,861,500
Kentucky Center for the Arts	883,600	915,100	915,100	558,300	558,300
TOTAL EXPENDITURES	243,199,200	278,744,900	288,622,300	258,238,600	261,409,800

The Tourism, Arts and Heritage Cabinet's mission (KRS 148.522) is to capitalize on the natural assets of the Commonwealth and draw from resources in business development, tourism, outdoor attractions, arts, and cultural heritage. Through unified efforts of its agencies, the Cabinet will continually strive to improve the quality of life of the people of Kentucky by creating new wealth and generating jobs.

The Tourism, Arts and Heritage Cabinet is comprised of the following agencies:

- Kentucky State Fair Board
- Kentucky Heritage Council
- Kentucky Arts Council
- Kentucky Historical Society
- Kentucky Center for the Arts
- Governor's School for the Arts
- Department of Fish and Wildlife Resources
- Kentucky Horse Park
- Kentucky Department of Parks
- Kentucky Artisan Center at Berea
- Department of Travel and Tourism
- Office of the Secretary
- The Kentucky Humanities Council

Tourism, Arts and Heritage

Secretary

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,561,000	4,238,200	4,401,500	3,158,700	3,213,700
Budget Reduction-General Fund	-341,000				
Reorganization Adjustment	162,000				
Total General Fund	2,382,000	4,238,200	4,401,500	3,158,700	3,213,700
Restricted Funds					
Balance Forward	3,690,100	3,011,200	1,741,100	3,011,200	1,764,500
Current Receipts	354,300	160,000	160,000	160,000	160,000
Non-Revenue Receipts	13,270,000	13,296,500	13,300,100	13,296,500	13,300,100
Total Restricted Funds	17,314,400	16,467,700	15,201,200	16,467,700	15,224,600
TOTAL SOURCE OF FUNDS	19,696,400	20,705,900	19,602,700	19,626,400	18,438,300
EXPENDITURES BY CLASS					
Personnel Costs	4,378,000	5,428,100	5,529,000	4,469,300	4,524,300
Operating Expenses	9,807,200	10,970,700	10,970,700	10,892,600	10,892,600
Grants Loans Benefits	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Debt Service		66,000	132,000		
TOTAL EXPENDITURES	16,685,200	18,964,800	19,131,700	17,861,900	17,916,900
EXPENDITURES BY FUND SOURCE					
General Fund	2,382,000	4,238,200	4,401,500	3,158,700	3,213,700
Restricted Funds	14,303,200	14,726,600	14,730,200	14,703,200	14,703,200
TOTAL EXPENDITURES	16,685,200	18,964,800	19,131,700	17,861,900	17,916,900
EXPENDITURES BY UNIT					
Executive Policy and Management	2,280,200	3,568,000	3,711,000	3,438,500	3,493,500
Capital Plaza Operations	473,000	238,000	246,300		
Creative Services	524,400	735,400	751,000		
Sports Authority	700				
Tourism Meeting & Convention Marketing	13,406,900	14,423,400	14,423,400	14,423,400	14,423,400
TOTAL EXPENDITURES	16,685,200	18,964,800	19,131,700	17,861,900	17,916,900

The Office of the Secretary's appropriation unit comprises of:

Executive Policy and Management - The Executive Policy and Management unit directs planning and management of the agencies within the Cabinet. This program develops plans to assure orderly growth and improved management, recommends executive actions and legislative measures, and evaluates agency budget requests.

Sports Authority - The Kentucky Sports Authority, established pursuant to KRS 148.590, has a fourteen member board with the primary responsibility to recruit, promote, assist, place, and develop sporting events, facilities, and programs throughout the Commonwealth, with the final goal of developing the economy, commerce, job opportunities, and revenue streams.

Tourism, Meeting, and Convention Marketing Fund – This fund is established by KRS 142.406 with revenues from a one percent transient room tax dedicated for the sole purpose of marketing and promoting tourism in the Commonwealth, including expenditures to market and promote events and venues related to meetings, conventions, trade shows, cultural activities, historical sites, recreation, entertainment, natural phenomena, areas of scenic beauty, craft marketing, and any other economic activity that brings tourists and visitors to the Commonwealth.

Tourism, Arts and Heritage

Artisans Center

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	404,400	933,300	970,000	477,900	486,900
Budget Reduction-General Fund	-11,700				
Total General Fund	392,700	933,300	970,000	477,900	486,900
Restricted Funds					
Balance Forward	312,800	312,800	312,800	312,800	292,300
Current Receipts	1,585,400	1,585,400	1,585,400	1,585,400	1,585,400
Total Restricted Funds	1,898,200	1,898,200	1,898,200	1,898,200	1,877,700
Road Fund					
Regular Appropriation	445,200	445,200	445,200	544,000	553,000
Total Road Fund	445,200	445,200	445,200	544,000	553,000
TOTAL SOURCE OF FUNDS	2,736,100	3,276,700	3,313,400	2,920,100	2,917,600
EXPENDITURES BY CLASS					
Personnel Costs	1,340,900	1,774,100	1,807,800	1,552,800	1,570,800
Operating Expenses	1,082,400	1,189,800	1,192,800	1,075,000	1,070,400
TOTAL EXPENDITURES	2,423,300	2,963,900	3,000,600	2,627,800	2,641,200
EXPENDITURES BY FUND SOURCE					
General Fund	392,700	933,300	970,000	477,900	486,900
Restricted Funds	1,585,400	1,585,400	1,585,400	1,605,900	1,601,300
Road Fund	445,200	445,200	445,200	544,000	553,000
TOTAL EXPENDITURES	2,423,300	2,963,900	3,000,600	2,627,800	2,641,200
EXPENDITURES BY UNIT					
Berea Artisans Center	2,423,300	2,963,900	3,000,600	2,627,800	2,641,200
TOTAL EXPENDITURES	2,423,300	2,963,900	3,000,600	2,627,800	2,641,200

The Kentucky Artisan Center at Berea is established to promote Kentucky arts and craft products and serve as a unique gateway for travelers, offering quality Kentucky arts, crafts, music, and other artisan products, along with authentic heritage experiences. The Artisan Center purchases for resale over 4,000 different artisan products from over 800 vendors in 100 counties statewide. Hospitality, café food service, KY travel information assistance, and rest stop services are also provided by the Center for over 250,000 visitors annually. The Center currently serves as the only mid-state rest area on I-75.

The Appalachian/Kentucky Artisans Gateway Center Authority (KRS 148.560-569) has an appointed, thirteen member board to direct operations of the Center and is attached to the Tourism Arts and Heritage Cabinet for administrative purposes.

Tourism, Arts and Heritage
Kentucky Department of Tourism

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,036,600	3,337,500	3,410,100	2,988,000	3,027,900
Budget Reduction-General Fund	-36,200				
Reorganization Adjustment	-162,000				
Total General Fund	2,838,400	3,337,500	3,410,100	2,988,000	3,027,900
Restricted Funds					
Balance Forward	49,300	33,000	16,500	33,000	16,500
Current Receipts	12,800	12,600	12,600	12,600	12,600
Total Restricted Funds	62,100	45,600	29,100	45,600	29,100
TOTAL SOURCE OF FUNDS	2,900,500	3,383,100	3,439,200	3,033,600	3,057,000
EXPENDITURES BY CLASS					
Personnel Costs	2,557,000	3,059,100	3,131,800	2,717,100	2,757,100
Operating Expenses	310,500	307,500	307,400	300,000	299,900
TOTAL EXPENDITURES	2,867,500	3,366,600	3,439,200	3,017,100	3,057,000
EXPENDITURES BY FUND SOURCE					
General Fund	2,838,400	3,337,500	3,410,100	2,988,000	3,027,900
Restricted Funds	29,100	29,100	29,100	29,100	29,100
TOTAL EXPENDITURES	2,867,500	3,366,600	3,439,200	3,017,100	3,057,000
EXPENDITURES BY UNIT					
Executive Policy and Management	813,300	918,600	934,800	824,200	833,300
Tourism Services	715,000	845,100	865,400	756,100	767,300
Marketing and Advertising	1,158,300	1,389,700	1,420,700	1,245,700	1,262,500
Communications and Promotions	180,900	213,200	218,300	191,100	193,900
TOTAL EXPENDITURES	2,867,500	3,366,600	3,439,200	3,017,100	3,057,000

The Department of Tourism was created to promote, develop, and provide support services for the tourism industry within the Commonwealth.

Executive Policy and Management - The Executive Policy and Management program establishes the policies and goals; coordinates the overall planning, management, and direction for the agency; and provides for the efficient administration of the Department and its programs.

Tourism Services - The Division of Tourism Services provides technical and design support to the overall marketing and promotions activities of the department. These activities provide graphic design support for development of both print and website promotions as well as technical support for website maintenance. Additionally, the division disseminates tourism information to tourists and potential visitors via a telephone system and fulfills visitor information through direct mail. Tourism Services provides assistance to travel planners calling the toll-free phone line requesting information as well as fulfilling requests for the Official Visitors Guide.

Marketing and Administration - The Division of Marketing and Administration is responsible for motivating travel to and within Kentucky. The Division maintains a database of all of the tourism related attractions, destinations and events throughout the state. These tourism assets are promoted through advertising via broadcast, print, and online media. Additionally, the Division participates in trade shows, events and conferences to showcase the state. The Division also collaborates with industry partners within the state and throughout the region to leverage marketing efforts.

The Tourism Marketing Incentive Program is a collaborative effort to utilize the one percent transient room tax funds, dedicated for the sole purpose of marketing and promoting tourism in the Commonwealth, efficiently and effectively.

The Division of Marketing and Administration staffs eight Welcome Centers throughout the state. The travel hosts at the Centers, located in Florence, Franklin, Grayson, Hopkinsville, Paducah, Simpsonville, Shepherdsville and Williamsburg offer helpful travel information and a positive image of Kentucky to tourists seeking assistance when they visit the state.

Communications and Promotions - The Division of Communications and Promotions works to complement the activities of the Department's advertising programs by engaging media and employing other strategies that publicize Kentucky's attractions and events as tourism destinations. These efforts primarily focus on generating earned broadcast and print media to support the marketing efforts of the department. This Division serves as the liaison with media sources, maintaining constant contact through e-newsletters, and a web-based media resource site. Assistance is provided to individual media representatives and travel writers in a variety of ways including, but not limited to, creating story ideas, making travel arrangements, providing photographs, video and fact verification. Regular press releases are prepared for the Department of Travel and Tourism and the Department of Parks to keep the public abreast of attractions and events in Kentucky. The goal of the division is to provide comprehensive support for projects and promotions developed through the department on behalf of the tourism industry in Kentucky.

Tourism, Arts and Heritage

Parks

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	35,129,300	53,541,300	59,393,000	46,442,500	48,004,300
Current Year Appropriation	8,831,600				
Total General Fund	43,960,900	53,541,300	59,393,000	46,442,500	48,004,300
Restricted Funds					
Balance Forward	612,800	192,200	142,200	192,200	142,200
Current Receipts	49,520,600	53,390,600	53,390,600	51,790,600	51,790,600
Non-Revenue Receipts	-2,336,700				
Total Restricted Funds	47,796,700	53,582,800	53,532,800	51,982,800	51,932,800
TOTAL SOURCE OF FUNDS	91,757,600	107,124,100	112,925,800	98,425,300	99,937,100
EXPENDITURES BY CLASS					
Personnel Costs	58,992,900	67,052,200	68,355,900	64,609,700	65,261,700
Operating Expenses	29,860,500	33,806,700	33,806,700	30,536,900	30,597,700
Debt Service	2,555,800	5,966,800	10,514,800	2,980,300	3,829,300
Capital Outlay	156,200	156,200	156,200	156,200	156,200
TOTAL EXPENDITURES	91,565,400	106,981,900	112,833,600	98,283,100	99,844,900
EXPENDITURES BY FUND SOURCE					
General Fund	43,960,900	53,541,300	59,393,000	46,442,500	48,004,300
Restricted Funds	47,604,500	53,440,600	53,440,600	51,840,600	51,840,600
TOTAL EXPENDITURES	91,565,400	106,981,900	112,833,600	98,283,100	99,844,900
EXPENDITURES BY UNIT					
General Administration and Support	14,671,900	19,660,200	24,499,100	15,374,800	16,434,500
Resort Parks	57,846,000	66,022,100	66,792,500	64,452,300	64,833,800
Recreation Parks and Historic Sites	17,103,100	19,254,000	19,480,000	18,456,000	18,576,600
Cafeterias	1,944,400	2,045,600	2,062,000		
TOTAL EXPENDITURES	91,565,400	106,981,900	112,833,600	98,283,100	99,844,900

The Department of Parks operates the Kentucky State Park System under the authority of KRS Chapter 148. The Department strives to provide quality recreational facilities and to preserve and protect historically significant sites and natural phenomena in the Commonwealth of Kentucky.

The Vision for Kentucky State Parks is to provide quality recreation and hospitality experiences for people of all ages that enhance their appreciation for adventure, fun, education, and beauty through responsible stewardship of our Commonwealth's natural, historic and cultural resources, and with a professional staff committed to excellent service for our guests.

The Mission of Kentucky State Parks is to provide a sustainable system of parks that delivers quality programs, amenities, and services which create memorable experiences and a sense of place, contributes to the economic growth of the Commonwealth, and preserves the historic and natural integrity and traditions of our parks for existing and future generations.

The activities of the Department include the operation and maintenance of 17 resort parks, 22 recreational parks, 10 historic sites, three cafeterias in Frankfort, and other miscellaneous facilities, including one interstate park. The Park System provides overnight lodging to 431,000 guests, food service for 1,192,000 meals for dining patrons, camping for 560,000 guests, golf for 170,000 players, along with other park amenities and activities.

Resort Parks

The Resort Parks program encourages tourism and economic development in Kentucky by providing excellent overnight accommodations, quality food service, and recreational activities for visitors at the 17 resort parks. The resort parks and their locations are:

Barren River Resort Park - Barren County
Blue Licks Battlefield State Park - Robertson County
Buckhorn Lake Resort Park - Perry County
Carter Caves Resort Park - Carter County
Cumberland Falls Resort Park - Whitley County
Dale Hollow Resort Park - Cumberland and Clinton Counties
General Butler Resort Park - Carroll County
Greenbo Lake Resort Park - Greenup County
Jenny Wiley Resort Park - Floyd County

Kenlake Resort Park - Marshall County
Kentucky Dam Village Resort Park - Marshall County
Lake Barkley Resort Park - Trigg County
Lake Cumberland Resort Park - Russell County
Natural Bridge Resort Park - Powell County
Pennyrile Forest Resort Park - Christian County
Pine Mountain Resort Park - Bell County
Rough River Resort Park - Grayson County

The Recreation Parks and Historic Sites program encourages tourism and economic development in Kentucky by providing modern recreational and camping facilities and preserving significant scenic and historic landmarks, as well as operating museums and shrines.

Recreation Park Facilities

Big Bone Lick State Park - Boone County
Carr Creek State Park - Knott County
Columbus-Belmont Battlefield State Park - Hickman County
E. P. "Tom" Sawyer State Park - Jefferson County
Fort Boonesborough State Park - Madison County
General Burnside State Park - Pulaski County
Grayson Lake State Park - Elliott and Carter Counties
Green River Lake State Park - Taylor County
John James Audubon State Park - Henderson County
Kincaid Lake State Park - Pendleton County
Kingdom Come State Park - Harlan County
Dawkins Line Rail Trail Park – Johnson/Magoffin Counties

Lake Malone State Park - Muhlenberg County
Levi Jackson Wilderness Road State Park - Laurel County
Lincoln Homestead State Park - Washington County
Mineral Mound State Park - Lyon County
My Old Kentucky Home State Park - Nelson County
Nolin Lake State Park - Edmonson County
Old Fort Harrod State Park - Mercer County
Paintsville Lake State Park - Johnson County
Pine Mountain Trail State Park - Harlan & Bell Counties
Taylorsville Lake State Park - Spencer County
Yatesville Lake State Park - Lawrence County

Historic Sites

Boone Station - Fayette County
Dr. Thomas Walker State Shrine - Knox County
Isaac Shelby State Shrine - Lincoln County
Jefferson Davis Monument State Shrine - Todd County
Old Mulkey Meeting House State Shrine - Monroe County

Perryville Battlefield State Shrine - Boyle County
Waveland State Shrine - Fayette County
White Hall State Shrine - Madison County
Wickliffe Mounds State Historic Site - Ballard County
William Whitley House State Shrine - Lincoln County

Cafeterias

The Cafeteria program provides food service in the Capitol Annex, Transportation Building, and the Health and Family Services Building for members of the General Assembly, state employees, and visitors to the state offices in Frankfort. The cafeterias also provide catering service for special local events.

General Administration and Support

The General Administration and Support program provides an organizational and administrative system to maintain and operate the park system entities. Central administrative functions, such as accounting, purchasing, budgeting, and personnel, along with program operations support and central maintenance and minor construction support, are included in this program.

Policy

The Executive Budget provides General Fund of \$424,500 in fiscal year 2018-2019 and \$1,237,500 in fiscal year 2019-2020 for debt service on new bonds included in the capital budget.

The Executive Budget includes Restricted Funds in each fiscal year for a \$4,000 training incentive stipend for Park Rangers. The stipend payment are provided from the Kentucky Law Enforcement Foundation Program Fund.

The Executive Budget provides General Fund in the amount of \$8,831,600 in fiscal year 2017-2018, and \$6,266,000 in fiscal years 2018-2019 and 2019-2020 to cover a cumulative shortfall that has accrued since fiscal year 2017 resulting from rising fixed costs.

The Executive Budget provides no funding for the Cafeteria program.

**Tourism, Arts and Heritage
Horse Park Commission**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,417,600	2,597,400	2,625,700	1,673,700	1,708,100
Budget Reduction-General Fund	-126,000				
Total General Fund	2,291,600	2,597,400	2,625,700	1,673,700	1,708,100
Restricted Funds					
Balance Forward	332,900				166,400
Current Receipts	11,729,100	11,046,400	11,317,400	11,046,400	11,317,400
Total Restricted Funds	12,062,000	11,046,400	11,317,400	11,046,400	11,483,800
TOTAL SOURCE OF FUNDS	14,353,600	13,643,800	13,943,100	12,720,100	13,191,900
EXPENDITURES BY CLASS					
Personnel Costs	8,159,300	9,072,600	9,273,900	7,965,000	8,097,800
Operating Expenses	6,049,500	4,424,500	4,519,200	4,442,000	4,544,700
Capital Outlay	144,800	146,700	150,000	146,700	150,000
TOTAL EXPENDITURES	14,353,600	13,643,800	13,943,100	12,553,700	12,792,500
EXPENDITURES BY FUND SOURCE					
General Fund	2,291,600	2,597,400	2,625,700	1,673,700	1,708,100
Restricted Funds	12,062,000	11,046,400	11,317,400	10,880,000	11,084,400
TOTAL EXPENDITURES	14,353,600	13,643,800	13,943,100	12,553,700	12,792,500
EXPENDITURES BY UNIT					
Kentucky Horse Park	14,353,600	13,643,800	13,943,100	12,553,700	12,792,500
TOTAL EXPENDITURES	14,353,600	13,643,800	13,943,100	12,553,700	12,792,500

The Kentucky Horse Park (KRS 148.260) is comprised of 1,224 acres on which are situated over 110 structures, 34 miles of fencing and 260 campsites. Horse Park programs consist primarily of four main functions:

Equine Theme Park-The central area of the park contains tourist activities that include the Visitor Information Center, International Museum of the Horse, gift shop, restaurant, Parade of Breeds and Hall of Champions shows, horseback riding, horse drawn tours, and other activities.

Events-The Horse Park is the host venue for both equine and non-equine special events. Horse shows are central to the mission of the park and comprise the majority of special event activities. More than Eighty annual equine events utilize 24 pole barns (1,500 stalls), a climate controlled 5,800 seat Alltech Arena, the 7,200 seat Rolex Stadium, a 1,200 seat covered arena, show office complex, six hunter-jumper rings, five dressage rings, a 7,800-yard cross country course, steeplechase course, and other ancillary structures. The park also hosts non-equine events that include weddings, high school wrestling, cheerleading high school cross country, dog shows, "Old Kentucky Nights" evening programs, "Southern Lights" holiday lights show, and many other events.

Campground-The popular campground is made up of 260 campsites with water/electric hookups, grocery store, two bathhouses, pool, tennis courts, playground, primitive camping, and covered pavilion. Each year more than 102,000 people camp at the Horse Park, generating more than \$1.9 million in direct annual income.

National Horse Center-Another area of remarkable growth has been the National Horse Center (NHC), a collection of the nation's and the state's leading equestrian organizations. The NHC now includes 33 distinct organizations contained in 11 office buildings. The NHC has solidified the key role of the Horse Park in making Kentucky the "Horse Capital of the World."

Policy

The Executive Budget includes Restricted Funds in each fiscal year for a \$4,000 training incentive stipend for Mounted Patrol Officers. The stipend payments are provided from the Kentucky Law Enforcement Foundation Program Fund.

Tourism, Arts and Heritage

State Fair Board

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,529,200	10,190,800	11,579,500	4,214,000	4,730,900
Budget Reduction-General Fund	-299,200				
Total General Fund	4,230,000	10,190,800	11,579,500	4,214,000	4,730,900
Restricted Funds					
Balance Forward	44,800	44,800	44,800	44,800	70,100
Current Receipts	43,232,600	47,237,400	48,020,300	47,237,400	47,268,600
Total Restricted Funds	43,277,400	47,282,200	48,065,100	47,282,200	47,338,700
TOTAL SOURCE OF FUNDS	47,507,400	57,473,000	59,644,600	51,496,200	52,069,600
EXPENDITURES BY CLASS					
Personnel Costs	27,246,800	29,631,700	29,828,500	29,562,400	29,545,600
Operating Expenses	17,176,300	20,517,300	21,550,000	17,610,000	17,704,100
Grants Loans Benefits	2,518,300	2,518,300	2,518,300	2,518,300	2,518,300
Debt Service		3,168,000	4,150,000	142,500	617,000
Capital Outlay	521,200	1,592,900	1,553,000	1,592,900	1,553,000
TOTAL EXPENDITURES	47,462,600	57,428,200	59,599,800	51,426,100	51,938,000
EXPENDITURES BY FUND SOURCE					
General Fund	4,230,000	10,190,800	11,579,500	4,214,000	4,730,900
Restricted Funds	43,232,600	47,237,400	48,020,300	47,212,100	47,207,100
TOTAL EXPENDITURES	47,462,600	57,428,200	59,599,800	51,426,100	51,938,000
EXPENDITURES BY UNIT					
Kentucky Fair and Exposition Center	44,660,900	47,453,700	48,612,100	44,502,400	44,544,800
Kentucky International Convention Center	2,801,700	6,806,500	6,837,700	6,781,200	6,776,200
Debt Service		3,168,000	4,150,000	142,500	617,000
TOTAL EXPENDITURES	47,462,600	57,428,200	59,599,800	51,426,100	51,938,000

The Kentucky State Fair Board is composed of 18 members: the Governor, the Commissioner of Agriculture, the secretary of the Finance and Administration Cabinet, the Dean of the College of Agriculture at the University of Kentucky, the State president of the Kentucky FFA, the State President of the Kentucky 4-H Organization, and 12 members appointed by the Governor. The Board manages and administers the funds, buildings, grounds, and equipment of both the Kentucky Exposition Center and the Kentucky International Convention Center in Louisville. A president is appointed by the Board to manage these centers and Fair Board properties.

Kentucky Exposition Center - The Kentucky Exposition Center provides facilities and services for conventions, trade shows, agricultural activities, athletic events, concerts, and cultural and commercial productions year-round. At this site, the State Fair Board produces its three major expositions during the year: the Kentucky State Fair, the National Farm Machinery Show, and the North American International Livestock Exposition.

The Kentucky Exposition Center is a completely air conditioned complex that includes 1.2 million square feet of exhibit and meeting space at ground level. It includes the 19,000-seat Freedom Hall Coliseum, identical East and West Exhibit Halls, East and West Exposition Wings, the South and North Wing Exposition facilities and Conference Centers, a smaller exposition pavilion, a 600-seat amphitheater, a 5,000 seat Livestock and Horse Show Arena, and a 37,000-seat stadium. Also serving the Kentucky Exposition Center are the adjacent Crowne Plaza, Hilton Gardens Inn, Cracker Barrel restaurant, Thornton's gas station and Executive Bowl, all of which are long term lessees of the State Fair Board.

Kentucky International Convention Center - The Kentucky International Convention Center provides facilities and services for intermediate-sized conventions, trade shows, association events, concerts, and cultural and commercial productions year-round. This facility is an integral and interdependent part of the overall redevelopment of downtown Louisville by both government and private enterprises. The Center has been undergoing a major renovation and will reopen in August 2018.

The Center is served by the Hyatt and Cowger Parking Garages, which provide 1,300 enclosed parking spaces. The Cowger Garage also includes commercial space which is leased on a long term basis.

Policy

The Executive Budget provides General Fund of \$142,500 in fiscal year 2018-2019 and \$617,000 in fiscal year 2019-2020 for debt service on new bonds included in the capital budget.

**Tourism, Arts and Heritage
Fish and Wildlife Resources**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	104,155,300	105,452,500	100,689,300	105,452,500	100,647,500
Current Receipts	58,246,700	58,266,700	58,266,700	58,266,700	58,266,700
Non-Revenue Receipts	-18,702,800	-21,000,000	-21,000,000	-21,000,000	-21,000,000
Total Restricted Funds	143,699,200	142,719,200	137,956,000	142,719,200	137,914,200
Federal Fund					
Balance Forward	11,725,200	11,725,200	9,582,500	11,725,200	10,052,500
Current Receipts	17,207,500	17,207,500	17,207,500	17,207,500	17,207,500
Total Federal Fund	28,932,700	28,932,700	26,790,000	28,932,700	27,260,000
TOTAL SOURCE OF FUNDS	172,631,900	171,651,900	164,746,000	171,651,900	165,174,200
EXPENDITURES BY CLASS					
Personnel Costs	40,949,400	47,362,600	48,538,700	46,806,700	47,484,400
Operating Expenses	12,393,600	11,924,300	11,928,500	12,052,000	12,052,700
Grants Loans Benefits	685,200	685,200	685,200	685,200	685,200
Capital Outlay	1,426,000	1,408,000	1,408,000	1,408,000	1,408,000
TOTAL EXPENDITURES	55,454,200	61,380,100	62,560,400	60,951,900	61,630,300
EXPENDITURES BY FUND SOURCE					
Restricted Funds	38,246,700	42,029,900	42,878,200	42,071,700	42,599,400
Federal Fund	17,207,500	19,350,200	19,682,200	18,880,200	19,030,900
TOTAL EXPENDITURES	55,454,200	61,380,100	62,560,400	60,951,900	61,630,300
EXPENDITURES BY UNIT					
Administration and Support	4,590,500	5,403,000	5,487,800	5,687,700	5,735,100
Wildlife Management	16,284,300	18,065,600	18,378,800	17,888,600	18,056,900
Fisheries Management	9,429,700	10,376,700	10,628,300	10,271,000	10,434,500
Information and Education	7,497,900	8,204,000	8,472,300	8,134,200	8,337,200
Law Enforcement	13,783,200	15,002,900	15,208,100	14,679,600	14,755,000
Marketing	1,038,100	1,102,900	1,094,000	1,096,800	1,081,300
Engineering, Infrastructure & Technology	2,830,500	3,225,000	3,291,100	3,194,000	3,230,300
TOTAL EXPENDITURES	55,454,200	61,380,100	62,560,400	60,951,900	61,630,300

The Department of Fish and Wildlife Resources, established by KRS Chapter 150, is responsible for the conservation and management of fish and wildlife resources in Kentucky. A Departmental Commissioner is appointed by the Fish and Wildlife Commission. The Commission, which is responsible for Department policy, is a nine member bipartisan body appointed by the Governor from a list of candidates provided by sportsmen and women in each of nine districts.

Financial support of the Department is derived from the sale of hunting and fishing licenses, federal grants, interest income, fines and penalties assessed by the courts for violation of game and fish laws, and numerous other miscellaneous receipts.

The Department owns approximately 130,000 acres of land in Kentucky which are used to further its program activities. The acreage includes the State Game Farm, approximately 80 major wildlife management areas, two warm water hatcheries, and three summer camps. An additional 700,000 plus acres of land and water are under lease or license by the Department for wildlife management activities. The Daniel Boone National Forest provides an additional 600,000 acres of land for public use.

The Department consists of seven program areas: Administration and Support, Wildlife Management, Fisheries Management, Information and Education, Law Enforcement, Marketing and Engineering, Infrastructure and Technology

Wildlife Management - The Wildlife Management program manages, develops, and maintains statewide game and non-game populations consistent with habitat availability on state owned lands, licensed wildlife management areas, and

privately owned lands. Additionally, Wildlife Management conducts statewide surveys to determine the relative abundance of game and non-game wildlife, formulates hunting regulations based upon biological data and recreational demands, restores viable native wildlife species by restocking in suitable habitat, and evaluates the impact of land, water resource, and other construction projects on wildlife resources. Technical guidance is provided to private landowners for improvement of wildlife habitat. A fish and wildlife electronic information system is being maintained for use by state agencies that includes geographic information such as land types, vegetation conditions, and wildlife populations.

Fisheries Management - The Fisheries Management program manages Kentucky fishery resources to provide optimum fishing opportunities for anglers through research, surveys, fish stocking, regulation, and technical biological guidance. Fishery biologists manage and develop fish populations and their associated habitats in major impoundments, streams, rivers, and 100,000 acres of small lakes and ponds. In addition, technical guidance is provided to private pond owners. Research biologists provide support to management through evaluation of stocking and regulatory practices. The Environmental Section of the Fisheries Division manages the Kentucky Wetland Stream Mitigation Fund (referred to as the fees in-lieu of program) authorized by KRS 150.255 and by agreement with the U.S. Army Corps of Engineers. Corps 404 permits require mitigation when projects fill stream or wetland habitat. Funds are derived when 404 permit applicants can elect to pay a fee to satisfy mitigation requirements. These fees are used for identifying and restoring degraded streams with eroding banks and impacted habitat to stable conditions or restoring wetlands that have been drained.

Information and Education - The Information and Education program is responsible for educating and informing the public about our wildlife resources and the importance of conservation, and the recreational opportunities the fish and wildlife resources provide. The information and education program is essential to provide the general and sporting public timely and accurate information directly and through the media. Additionally, the dissemination of regulatory information is necessary for the sporting public to comply with applicable laws and regulations. The program also provides classroom instruction on wildlife conservation, hunter education, aquatic education; operates the Salato Wildlife Education Center; and administers three summer camps for children.

Law Enforcement - The Law Enforcement program enforces fish, wildlife, and boating laws. Officers assist other federal, state, and local agencies in enforcement of all criminal laws in the Commonwealth. Officers also provide assistance to the public during times of natural disasters such as floods, forest fires, and severe winter weather.

Administration and Support - The Administration and Support program area manages the day-to-day operations of the Department including maintaining accounting records, ensuring proper purchasing and inventory procedures, and administering hunting and fishing license sales and revenue collections. The Public Affairs Division facilitates public involvement in departmental policy and regulations.

Marketing – The Marketing program is responsible for marketing, public involvement, social survey research, trend analysis, economic analysis of the benefits of wildlife associated recreations and boating.

Engineering, Infrastructure and Technology - The Engineering program provides the labor and technical engineering services required for small construction projects, such as building small bridges, buildings, boat ramps, and roads. In addition, Engineering is responsible for surveying all property owned or being purchased by the Department

Policy

The Executive Budget includes Restricted Funds in each fiscal year for a \$4,000 training incentive stipend for Conservation Officers. These funds are provided from the Fish and Game Fund.

Tourism, Arts and Heritage

Historical Society

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,596,500	6,348,800	6,378,900	5,893,700	5,952,400
Budget Reduction-General Fund	-66,100				
Total General Fund	5,530,400	6,348,800	6,378,900	5,893,700	5,952,400
Restricted Funds					
Balance Forward	45,100	141,700	238,300	141,700	238,300
Current Receipts	554,400	554,400	554,400	554,400	554,400
Total Restricted Funds	599,500	696,100	792,700	696,100	792,700
Federal Fund					
Balance Forward					23,200
Current Receipts	180,400	203,200	196,600	203,200	196,600
Total Federal Fund	180,400	203,200	196,600	203,200	219,800
TOTAL SOURCE OF FUNDS	6,310,300	7,248,100	7,368,200	6,793,000	6,964,900
EXPENDITURES BY CLASS					
Personnel Costs	3,985,800	4,823,900	4,877,200	4,580,600	4,639,300
Operating Expenses	2,128,800	2,131,900	2,102,100	1,896,900	1,886,900
Grants Loans Benefits	54,000	54,000	54,000	54,000	54,000
TOTAL EXPENDITURES	6,168,600	7,009,800	7,033,300	6,531,500	6,580,200
EXPENDITURES BY FUND SOURCE					
General Fund	5,530,400	6,348,800	6,378,900	5,893,700	5,952,400
Restricted Funds	457,800	457,800	457,800	457,800	457,800
Federal Fund	180,400	203,200	196,600	180,000	170,000
TOTAL EXPENDITURES	6,168,600	7,009,800	7,033,300	6,531,500	6,580,200
EXPENDITURES BY UNIT					
Oral History and Educational Outreach	670,800	786,900	805,100	634,400	634,400
Research and Publications	770,500	896,200	916,200	728,400	728,400
Museums	787,100	924,300	946,000	744,000	744,000
Administration	3,940,200	4,402,400	4,366,000	4,424,700	4,473,400
TOTAL EXPENDITURES	6,168,600	7,009,800	7,033,300	6,531,500	6,580,200

The Kentucky Historical Society (KHS) engages people in the exploration of the Commonwealth's diverse heritage. Through comprehensive and innovative services, interpretive programs, and stewardship, it provides connections to the past, perspective on the present, and inspiration for the future.

The Kentucky Historical Society's statutory mandate, pursuant to KRS 171.311, is to collect and preserve for future generations materials and information regarding Kentucky's past; to disseminate knowledge and understanding of the state's history; and to produce for people of all backgrounds an increased awareness of, and appreciation for, the Commonwealth and its heritage. The agency operates four divisions: Administration, Research and Publications, Museums, and Oral History and Educational Outreach.

The Administration Division provides overall agency direction, planning, and management. It is comprised of the following functional teams: development, director's office, finance and human resources, and communications (which includes visitor services.)

The Research and Publications Division includes the following functional teams: research and interpretation, museum collections and exhibitions, and the design studio. The research and interpretation team publishes the Society's two journals—The Register of the Kentucky Historical Society and Kentucky Ancestors—and assists with the publication of the quarterly newsletter, The Chronicle. The team also administers the historical marker program and the research fellows program. The museum collections and exhibitions team is responsible for the operation of the Historical Society's three museum facilities—the galleries located in the Thomas D. Clark Center for Kentucky History, the Kentucky Military History

Museum, and the Old State Capitol. Since 1999, these facilities have hosted more than 1,000,000 visitors. The team is also responsible for the 200,000+ artifact collection. The design studio is responsible for museum exhibition design and production, along with the design and production of other KHS interpretive and promotional tools.

The Museum Division is responsible for special collections and reference services. The Museum division operates the Martin F. Schmidt Research Library housed in the History Center, which effectively serves genealogists and other researchers. It also cares for an array of manuscripts, maps, 200,000-plus photographs, 8,000 oral history recordings, and rare books.

The Oral History and Educational Outreach Division includes the following units: interpretive education, teacher/student outreach, and community services. Community Services consists of the local history program and the Cemetery Preservation program. Interpretive Education includes school tours, museum theatre, and other educational activities for adults and children. Since 1999, the KHS "history campus" has hosted more than 1,000,000 visitors. The primary outreach programs for students include the Kentucky Junior Historical Society and National History Day. Much of the KHS professional development for teachers is presented through Teaching American History grants awarded by the U.S. Department of Education.

Tourism, Arts and Heritage

Arts Council

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,640,700	2,876,000	2,913,300	1,708,700	1,728,900
Budget Reduction-General Fund	-12,600				
Total General Fund	2,628,100	2,876,000	2,913,300	1,708,700	1,728,900
Restricted Funds					
Balance Forward	231,900	238,200	244,500	238,200	244,500
Current Receipts	157,900	157,900	157,900	157,900	157,900
Total Restricted Funds	389,800	396,100	402,400	396,100	402,400
Federal Fund					
Current Receipts	708,500	708,500	708,500	708,500	708,500
Total Federal Fund	708,500	708,500	708,500	708,500	708,500
TOTAL SOURCE OF FUNDS	3,726,400	3,980,600	4,024,200	2,813,300	2,839,800
EXPENDITURES BY CLASS					
Personnel Costs	1,576,500	1,799,800	1,837,100	910,400	930,600
Operating Expenses	312,700	328,800	328,800	301,300	301,300
Grants Loans Benefits	1,599,000	1,607,500	1,607,500	1,357,100	1,357,100
TOTAL EXPENDITURES	3,488,200	3,736,100	3,773,400	2,568,800	2,589,000
EXPENDITURES BY FUND SOURCE					
General Fund	2,628,100	2,876,000	2,913,300	1,708,700	1,728,900
Restricted Funds	151,600	151,600	151,600	151,600	151,600
Federal Fund	708,500	708,500	708,500	708,500	708,500
TOTAL EXPENDITURES	3,488,200	3,736,100	3,773,400	2,568,800	2,589,000
EXPENDITURES BY UNIT					
Arts Council	1,659,500	1,907,400	1,944,700	1,020,500	1,040,700
Support Grants	1,640,200	1,640,200	1,640,200	1,389,800	1,389,800
Arts Marketing	188,500	188,500	188,500	158,500	158,500
TOTAL EXPENDITURES	3,488,200	3,736,100	3,773,400	2,568,800	2,589,000

The Kentucky Arts Council’s legislated purpose is to develop and promote a broadly conceived state policy of support for the arts in Kentucky, pursuant to KRS 153.210 to 153.235. As the official state arts agency, the Kentucky Arts Council (KAC) is the sole Kentucky state agency designated to receive partnership funding from the National Endowment for the Arts for any programs related to the arts. All of the KAC’s programs, services, initiatives, events and activities support its mission to “create opportunities for the people of Kentucky to value, participate in, and benefit from the arts”.

The Kentucky Arts Council manages a multitude of programs, activities and services for the Commonwealth by working in partnership with arts organizations, educational facilities, communities, local government, and individual artists. The work of the KAC encourages the growth and stability of the arts across the state, the promotion of cultural tourism and economic development, the enhancement of quality of life in Kentucky, and the provision of strong arts education programs.

Major program areas include community arts development, arts infrastructure capacity building, individual artists, folk arts, arts education, and arts marketing. The KAC offers an extensive array of technical assistance and training programs, public events, information services and resources, business development services, sales and performance venues, and grant programs to help ensure that the arts community in Kentucky is strong and viable. The grant funds invested by the KAC across the Commonwealth serves as an important catalyst in community building, and leverages significant funding from other sources.

Tourism, Arts and Heritage

Heritage Council

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	717,100	1,212,100	1,249,600	715,900	719,000
Budget Reduction-General Fund	-12,600				
Total General Fund	704,500	1,212,100	1,249,600	715,900	719,000
Restricted Funds					
Balance Forward	201,200	214,500	110,800	214,500	110,800
Current Receipts	292,000	175,000	175,000	175,000	175,000
Total Restricted Funds	493,200	389,500	285,800	389,500	285,800
Federal Fund					
Current Receipts	863,800	863,800	863,800	863,800	863,800
Total Federal Fund	863,800	863,800	863,800	863,800	863,800
TOTAL SOURCE OF FUNDS	2,061,500	2,465,400	2,399,200	1,969,200	1,868,600
EXPENDITURES BY CLASS					
Personnel Costs	1,451,500	1,849,700	1,887,200	1,640,300	1,660,600
Operating Expenses	298,100	418,500	418,500	131,700	114,500
Grants Loans Benefits	97,400	86,400	86,400	86,400	86,400
TOTAL EXPENDITURES	1,847,000	2,354,600	2,392,100	1,858,400	1,861,500
EXPENDITURES BY FUND SOURCE					
General Fund	704,500	1,212,100	1,249,600	715,900	719,000
Restricted Funds	278,700	278,700	278,700	278,700	278,700
Federal Fund	863,800	863,800	863,800	863,800	863,800
TOTAL EXPENDITURES	1,847,000	2,354,600	2,392,100	1,858,400	1,861,500
EXPENDITURES BY UNIT					
Kentucky Heritage Council	1,847,000	2,354,600	2,392,100	1,858,400	1,861,500
TOTAL EXPENDITURES	1,847,000	2,354,600	2,392,100	1,858,400	1,861,500

The Kentucky Heritage Council (the State Historic Preservation Office) administers a comprehensive state historic preservation program with structure in three areas; The Site Protection Program, The Site Identification and Evaluation Program and The Site Development Program.

The Council administers national historic preservation activities in Kentucky, monitors projects and distributes grants involving federal funds, offers programs and services involving all aspects of historic preservation, and provides technical assistance to local governments, the public, and other agencies.

Major program activities include surveying historic sites, nominating sites to the National Register of Historic Places, administering the Kentucky Main Street program in partnership with Renaissance on Main, overseeing federal and state historic preservation tax credit programs and restoration grants programs, conducting archaeological investigations, and reviewing all federally funded, licensed, and permitted projects.

Attached to the Heritage Council for administration and programmatic services are the African American Heritage Commission, Native American Heritage Commission, Military Heritage Commission, and the Kentucky Historic Preservation Review Board. The Kentucky Heritage Council is administered in accordance with KRS 171.3801.

**Tourism, Arts and Heritage
Kentucky Center for the Arts**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	915,100	915,100	915,100	558,300	558,300
Budget Reduction-General Fund	-31,500				
Total General Fund	883,600	915,100	915,100	558,300	558,300
TOTAL SOURCE OF FUNDS	883,600	915,100	915,100	558,300	558,300
EXPENDITURES BY CLASS					
Personnel Costs	129,100	129,100	129,100		
Operating Expenses	196,200	196,200	196,200		
Grants Loans Benefits	558,300	589,800	589,800	558,300	558,300
TOTAL EXPENDITURES	883,600	915,100	915,100	558,300	558,300
EXPENDITURES BY FUND SOURCE					
General Fund	883,600	915,100	915,100	558,300	558,300
TOTAL EXPENDITURES	883,600	915,100	915,100	558,300	558,300
EXPENDITURES BY UNIT					
Kentucky Center for the Arts	325,300	325,300	325,300		
Governor's School for the Arts	558,300	589,800	589,800	558,300	558,300
TOTAL EXPENDITURES	883,600	915,100	915,100	558,300	558,300

Kentucky Center for the Arts ("The Kentucky Center") is the Commonwealth's premier performing arts center. The Kentucky Center serves over 400,000 people each year. It is the performance home of the state's largest orchestra, opera, ballet, Broadway and children's theatre productions. In addition, The Kentucky Center presents a variety of national and international artists.

The Kentucky Center houses three theaters: the 2,406-seat Robert S. Whitney Hall, the 619-seat Moritz von Bomhard Theater, and the 139-seat Boyd Martin Experimental Theater. The facility features a multi-tiered lobby, rehearsal halls, and spaces for social and business events.

The Kentucky Center provides a wide range of nationally recognized educational programs, including professional development for teachers, partnerships with schools and community centers, and opportunities for artists to work in classrooms. The Center is also a leader in providing award-winning access services that make the theater experience possible for patrons with disabilities. The Kentucky Center, in partnership with the Kentucky Arts Council, provides access and technical consulting services for arts and cultural organizations across Kentucky. The Kentucky Center's management also provides theatrical consulting services throughout the state.

The Governor's School for the Arts (GSA) is a model program, recognized nationally by the President's Committee on the Arts and Humanities and the National Endowment of the Arts. GSA was established in 1987 to address the needs of an underserved Kentucky population: Kentucky's artistically gifted and talented young people. Whereas opportunities for advanced academic work has been widely available to Kentucky's academically gifted students, opportunities to pursue advanced work in the arts have been considerably more limited, particularly for geographically and/or economically marginalized students. GSA not only plays a vital role in preparing students for their pursuit of careers in the arts, but also prepares them for all facets of professional life requiring leadership, critical thinking, exceptional communication skills and understanding of the multi-cultural world. GSA is a model program, recognized nationally by the President's Committee on the Arts & Humanities and the National Endowment for the Arts. The school currently serves 256 students.

Policy

The Executive Budget provides no funding for the operating budget of the Kentucky Center for the Arts.

Transportation

Transportation

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,228,200	17,355,200	17,567,400	15,213,900	15,213,900
Special Appropriation	10,000,000				
Continuing Approp-General Fund	3,552,300				
Budget Reduction-General Fund	-319,000				
Total General Fund	19,461,500	17,355,200	17,567,400	15,213,900	15,213,900
Restricted Funds					
Balance Forward	122,215,500	9,607,200	8,361,000	9,607,200	2,595,400
Current Receipts	141,354,000	145,128,100	146,129,500	146,941,300	147,432,200
Non-Revenue Receipts	76,900,800	-5,030,400	-1,884,800	-5,030,400	-1,884,800
Fund Transfers	-4,588,200	-426,100	-424,000	-7,370,900	-6,424,000
Total Restricted Funds	335,882,100	149,278,800	152,181,700	144,147,200	141,718,800
Federal Fund					
Current Receipts	773,941,400	765,456,000	767,053,500	765,300,100	766,066,000
Total Federal Fund	773,941,400	765,456,000	767,053,500	765,300,100	766,066,000
Road Fund					
Regular Appropriation	1,380,512,200	1,499,540,600	1,496,189,800	1,416,927,000	1,395,472,100
Surplus Expenditure Plan	57,237,100				
Other	4,927,000				
Total Road Fund	1,442,676,300	1,499,540,600	1,496,189,800	1,416,927,000	1,395,472,100
TOTAL SOURCE OF FUNDS	2,571,961,300	2,431,630,600	2,432,992,400	2,341,588,200	2,318,470,800
EXPENDITURES BY CLASS					
Personnel Costs	443,950,200	508,322,400	519,169,200	493,863,600	496,790,800
Operating Expenses	255,175,600	285,531,100	285,599,300	258,357,800	253,993,500
Grants Loans Benefits	277,860,300	245,933,000	246,342,300	243,130,200	243,578,500
Debt Service	266,049,800	271,263,800	255,985,400	265,524,500	252,367,100
Capital Outlay	2,005,500	1,932,700	1,882,700	1,882,700	1,882,700
Construction	1,306,317,500	1,110,286,600	1,112,743,600	1,072,866,300	1,066,237,700
TOTAL EXPENDITURES	2,551,358,900	2,423,269,600	2,421,722,500	2,335,625,100	2,314,850,300
EXPENDITURES BY FUND SOURCE					
General Fund	19,461,500	17,355,200	17,567,400	15,213,900	15,213,900
Restricted Funds	326,274,900	140,917,800	140,911,800	141,551,800	141,466,000
Federal Fund	773,941,400	765,456,000	767,053,500	765,300,100	766,066,000
Road Fund	1,431,681,100	1,499,540,600	1,496,189,800	1,413,559,300	1,392,104,400
TOTAL EXPENDITURES	2,551,358,900	2,423,269,600	2,421,722,500	2,335,625,100	2,314,850,300
EXPENDITURES BY UNIT					
General Administration and Support	77,293,000	84,409,200	85,279,000	83,619,900	84,015,700
Aviation	38,069,700	22,902,700	22,945,800	22,131,700	21,992,800
Debt Service	154,830,400	162,336,000	150,298,000	156,646,700	146,729,700
Highways	1,844,340,600	1,731,283,000	1,742,772,500	1,654,491,900	1,645,280,200
Public Transportation	50,096,200	32,302,700	32,322,200	31,927,200	32,000,400
Revenue Sharing	336,957,200	339,256,800	340,049,100	336,462,200	337,435,200
Vehicle Regulation	49,771,800	50,779,200	48,055,900	50,345,500	47,396,300
TOTAL EXPENDITURES	2,551,358,900	2,423,269,600	2,421,722,500	2,335,625,100	2,314,850,300

The Transportation Cabinet is responsible for maintaining and improving transportation services in the Commonwealth. All modes of transportation are addressed by the Cabinet, including air transportation, railroads, waterways, public transit, and highways. The Secretary of Transportation, who is appointed by the Governor, heads the organization. The duties and

responsibilities of the Cabinet are found in Titles XV and XVI of the Kentucky Revised Statutes.

The Cabinet receives funding from the state Road Fund, proceeds from highway bonds issued by the Kentucky Turnpike Authority, and federal aid apportionments for highways. Other revenue sources include agency receipts, non highway federal aid, the state General Fund, and a federal fund leveraging mechanism titled Grant Anticipation Revenue Vehicle (GARVEE) bonds. The revenue components of the Road Fund are the motor fuels tax, motor vehicle usage tax, license and privilege taxes, interest income, and miscellaneous departmental fees, permits, and sales.

Seven major budget units comprise the Transportation Cabinet: General Administration and Support, Aviation, Public Transportation, Revenue Sharing, Highways, Vehicle Regulation, and Debt Service.

Organizationally, the agency is divided into four departments: Aviation, Vehicle Regulation, Rural and Municipal Aid, and Highways. Each department is headed by a commissioner directly responsible to the Secretary. Other organizational units include the Office of Support Services, the Office of Transportation Delivery, the Office of Audits, the Office of Human Resource Management, the Office of Information Technology, the Office of Legal Services, the Office of Public Affairs, the Office of Budget and Fiscal Management, the Office for Civil Rights and Small Business Development, and the Office of Inspector General. These units report to the Office of the Secretary. The following offices report to the State Highway Engineer in the Department of Highways: the Office of Project Development, the Office of Project Delivery and Preservation, the Office of Highway Safety, and Highway District Offices One through Twelve. The Office of Local Programs and the Office of Rural and Secondary Roads report to the Commissioner of Rural and Municipal Aid.

The Transportation Cabinet has its origin as an agency of the Commonwealth of Kentucky in 1912 when the General Assembly established the Department of Highways. Legislation in 1974 created the Department of Transportation by consolidating the Departments of Highways, Motor Transportation, and Aeronautics, plus certain transportation-related functions of the Department of Public Safety and the Department of Revenue. The 1982 General Assembly established the Transportation Cabinet as the successor to the Department of Transportation, and it assumed all of the duties formerly associated with the Department.

Transportation
General Administration and Support

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	500,000	500,000	500,000	468,700	468,700
Total General Fund	500,000	500,000	500,000	468,700	468,700
Restricted Funds					
Balance Forward	198,800	134,100	69,400	134,100	69,400
Current Receipts	2,077,100	2,276,300	2,314,500	2,271,600	2,295,500
Total Restricted Funds	2,275,900	2,410,400	2,383,900	2,405,700	2,364,900
Road Fund					
Regular Appropriation	74,651,200	81,568,200	82,406,100	80,814,900	81,193,100
Total Road Fund	74,651,200	81,568,200	82,406,100	80,814,900	81,193,100
TOTAL SOURCE OF FUNDS	77,427,100	84,478,600	85,290,000	83,689,300	84,026,700
EXPENDITURES BY CLASS					
Personnel Costs	35,360,600	40,697,100	41,499,800	40,491,900	40,948,800
Operating Expenses	33,127,100	34,975,100	35,087,800	34,441,000	34,375,500
Grants Loans Benefits	502,800	502,800	502,800	502,800	502,800
Debt Service	7,107,400	7,107,800	7,112,200	7,107,800	7,112,200
Capital Outlay	1,170,100	1,101,400	1,051,400	1,051,400	1,051,400
Construction	25,000	25,000	25,000	25,000	25,000
TOTAL EXPENDITURES	77,293,000	84,409,200	85,279,000	83,619,900	84,015,700
EXPENDITURES BY FUND SOURCE					
General Fund	500,000	500,000	500,000	468,700	468,700
Restricted Funds	2,141,800	2,341,000	2,372,900	2,336,300	2,353,900
Road Fund	74,651,200	81,568,200	82,406,100	80,814,900	81,193,100
TOTAL EXPENDITURES	77,293,000	84,409,200	85,279,000	83,619,900	84,015,700
EXPENDITURES BY UNIT					
Office of the Secretary	7,890,600	9,197,000	9,404,900	9,022,900	9,131,900
Legal Services	5,311,600	6,009,100	6,115,300	5,963,800	6,019,600
Office of Human Resource Management	4,973,000	5,681,800	5,791,200	5,635,700	5,697,600
Office of Support Services	22,213,200	23,080,000	23,228,400	23,196,200	23,248,800
Technology	31,926,300	34,597,400	34,772,900	34,044,200	34,055,500
Office of Audits	4,978,300	5,843,900	5,966,300	5,757,100	5,862,300
TOTAL EXPENDITURES	77,293,000	84,409,200	85,279,000	83,619,900	84,015,700

The General Administration and Support appropriation unit provides management and administrative services and ensures efficient day to day operations. This unit includes the Office of Secretary and nine other offices.

The Office of Budget and Fiscal Management, the Office for Civil Rights and Small Business Development, the Office of Legal Services, the Office of Public Affairs, the Office of Inspector General, the Office of Human Resource Management, the Office of Support Services, the Office of Audits, and the Office of Information Technology provide leadership, management, and staff support to the Transportation Cabinet and provide the Secretary with the managerial tools necessary to operate the Cabinet.

The Office of the Secretary is the central point of contact with the general public and external organizations and serves as the main policymaking arm of the Cabinet. The Office of Budget and Fiscal Management and the Office of Audits manage the planning and use of the Cabinet's financial resources. The Office for Civil Rights and Small Business Development conducts programs to provide women and minorities an equal opportunity for employment and to compete for highway construction contracts. The Office of Legal Services provides the agency with the required legal representation before administrative boards and all levels of the court system. The Office of Public Affairs is responsible for the Cabinet's communications with employees, the news media, and the general public. The Office of Inspector General exists to provide the Cabinet a mechanism for both employees and Kentuckians to report incidences of wrongdoing regarding the

Cabinet's service. The Office of Human Resource Management is responsible for the Cabinet's human resources policies and personnel utilization and development programs. The Office of Support Services provides oversight and management of the Cabinet's statewide facilities, including all ongoing capital projects not associated with highway construction. Beginning in April 2013, the Office of Support Services began providing production print services for the Executive Branch through its Division of Graphic Design and Printing, a function previously performed by the Commonwealth Office of Technology. The Office of Information Technology is responsible for the technological application development and system support functions for the Cabinet.

Policy

The General Fund appropriation provides funding for the improvement of public river ports in the Commonwealth. The Secretary of Transportation, in conjunction with the Kentucky Water Transportation Advisory Board, shall determine how to distribute the funds.

**Transportation
Aviation**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		11,127,000	11,339,200	9,375,000	9,375,000
Special Appropriation	10,000,000				
Continuing Approp-General Fund	3,381,700				
Total General Fund	13,381,700	11,127,000	11,339,200	9,375,000	9,375,000
Restricted Funds					
Balance Forward	12,241,100	242,100	66,800	242,100	83,400
Current Receipts	11,814,400	11,812,800	11,813,400	11,861,400	11,872,100
Non-Revenue Receipts	-1,830,700	-1,830,600	-1,829,800	-1,830,600	-1,829,800
Fund Transfers	-388,200	-426,100	-424,000	-426,100	-424,000
Total Restricted Funds	21,836,600	9,798,200	9,626,400	9,846,800	9,701,700
Federal Fund					
Current Receipts	417,400	213,700	213,700	213,700	213,700
Total Federal Fund	417,400	213,700	213,700	213,700	213,700
Road Fund					
Regular Appropriation	2,676,100	1,830,600	1,829,800	2,779,600	2,789,000
Total Road Fund	2,676,100	1,830,600	1,829,800	2,779,600	2,789,000
TOTAL SOURCE OF FUNDS	38,311,800	22,969,500	23,009,100	22,215,100	22,079,400
EXPENDITURES BY CLASS					
Personnel Costs	3,726,100	3,882,200	3,967,700	3,867,000	3,941,100
Operating Expenses	810,400	818,600	818,600	716,200	642,700
Grants Loans Benefits	31,572,700	16,245,800	16,204,200	15,620,800	15,579,200
Debt Service	1,830,700	1,830,600	1,829,800	1,830,600	1,829,800
Construction	129,800	125,500	125,500	97,100	
TOTAL EXPENDITURES	38,069,700	22,902,700	22,945,800	22,131,700	21,992,800
EXPENDITURES BY FUND SOURCE					
General Fund	13,381,700	11,127,000	11,339,200	9,375,000	9,375,000
Restricted Funds	21,594,500	9,731,400	9,563,100	9,763,400	9,615,100
Federal Fund	417,400	213,700	213,700	213,700	213,700
Road Fund	2,676,100	1,830,600	1,829,800	2,779,600	2,789,000
TOTAL EXPENDITURES	38,069,700	22,902,700	22,945,800	22,131,700	21,992,800
EXPENDITURES BY UNIT					
Commonwealth Aviation	33,890,600	18,470,600	18,473,700	17,747,400	17,758,600
Capital City Airport	2,348,400	2,601,500	2,642,300	2,553,700	2,404,400
Aviation Administration	1,830,700	1,830,600	1,829,800	1,830,600	1,829,800
TOTAL EXPENDITURES	38,069,700	22,902,700	22,945,800	22,131,700	21,992,800

In accordance with KRS Chapter 183, the Transportation Cabinet supports the Commonwealth's Aviation program. There are two divisions within the Department of Aviation: Commonwealth Aviation and Capital City Airport. The Commonwealth Aviation division is charged with the Air Regulatory program and the Airport Development program. The Air Regulatory program is responsible for inspecting and determining the safety and efficiency of all of the Commonwealth's public use airport and heliport facilities. Pursuant to KRS 183.861, the Kentucky Airport Zoning Commission protects the navigable airspace within the state by evaluating applications for construction, issuing permits, and maintaining updated airport zoning maps. The Commission is attached to the Air Regulatory program for administrative purposes. The Airport Development program provides for administration, planning and management of airport construction, and maintenance of local airports. Airport Development also provides technical and financial assistance to the state's 59 public use airports, including updating and distributing the state aeronautical charts and airport directories.

The Capital City Airport is a public use airport located in Frankfort, Kentucky. Capital City Airport is home to 81 aircraft, including the fleet owned and operated by state government and the National Guard located in Frankfort.

Policy

The Executive Budget suspends the provisions of KRS 183.525 and transfers \$426,100 in fiscal year 2018-2019 and \$424,000 in fiscal year 2019- 2020 from the Kentucky Aviation Economic Development Fund to the General Fund to support General Fund supported aviation bonds authorized by the 2005 General Assembly.

The Executive Budget suspends the provisions of KRS 183.525 and transfers \$993,000 in fiscal year 2017-2019 and \$994,500 in fiscal year 2019-2020 from the Kentucky Aviation Economic Development Fund to the Road Fund to support Road Fund supported aviation bonds authorized by the 2008 General Assembly.

The Executive Budget suspends the provisions of KRS 183.525 and transfers \$837,600 in fiscal year 2018-2019 and \$835,300 in fiscal year 2019-2020 from the Kentucky Aviation Economic Development Fund to the Road Fund to support Road Fund supported aviation bonds authorized by the 2010 General Assembly.

The Executive Budget includes General Fund in the amount of \$9,375,000 in each year of the biennium for the Kentucky Aviation Economic Development program to support the development, rehabilitation, and maintenance of publicly owned or operated aviation facilities and for other aviation programs within the Commonwealth that will benefit publicly owned or operated aviation facilities.

	Transportation Debt Service				
	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Road Fund					
Regular Appropriation	165,825,600	162,336,000	150,298,000	160,014,400	150,097,400
Total Road Fund	165,825,600	162,336,000	150,298,000	160,014,400	150,097,400
TOTAL SOURCE OF FUNDS	165,825,600	162,336,000	150,298,000	160,014,400	150,097,400
EXPENDITURES BY CLASS					
Personnel Costs				50,000	50,000
Debt Service	154,830,400	162,336,000	150,298,000	156,596,700	146,679,700
TOTAL EXPENDITURES	154,830,400	162,336,000	150,298,000	156,646,700	146,729,700
EXPENDITURES BY FUND SOURCE					
Road Fund	154,830,400	162,336,000	150,298,000	156,646,700	146,729,700
TOTAL EXPENDITURES	154,830,400	162,336,000	150,298,000	156,646,700	146,729,700
EXPENDITURES BY UNIT					
Economic Development Lease Rental	154,830,400	162,336,000	150,298,000	156,646,700	146,729,700
TOTAL EXPENDITURES	154,830,400	162,336,000	150,298,000	156,646,700	146,729,700

The Debt Service program is the budget entity through which lease rental payments are made on the revenue bonds the Commonwealth has issued to finance major highway construction projects.

KRS Chapter 175 authorizes the Turnpike Authority of Kentucky to issue revenue bonds to construct, maintain, repair, and operate designated roads of the Toll Road System, the Resource Recovery Road System, and the Economic Development Road System.

The first of these systems, the Toll Road System, was constructed during the mid-1960s and early 1970s. All of the Toll Road bonds that were issued to construct the state's parkways are now retired.

The Resource Recovery Road System began in the late 1970s, and most of the system's roads were built during the 1980s. The most significant project was KY 80. The final lease rental payment for the Resource Recovery Road bonds was made in fiscal year 2008-2009.

The Economic Development Road System was established and funded through a series of bond issues. The first was a \$300 million issue sold in 1984. The second was a relatively small sale of \$36.6 million in 1987. The third and largest was a \$600 million program which was implemented in bond sales during 1990, 1993, and 1995. The projects constructed with the \$600 million series were designated as "Revitalization Projects" and are now complete. The fourth issue was authorized by the 1998 General Assembly in the amount of \$200 million. The bonds were sold in 1999 and projects funded with those proceeds are now complete. The 2005 General Assembly authorized the fifth series of Economic Development Road bonds in the amount of \$450 million. The bond projects associated with the 2005 series were split to support three initiatives: \$300 million for projects in the adopted Six-Year Highway Plan; \$100 million to fund County Road Aid projects; and \$50 million to support Municipal Road Aid projects. The 2006 General Assembly authorized an additional \$350 million in Economic Development Road Bonds. The entire 2006 series was authorized to support projects in the adopted Six-Year Highway Plan. The seventh issue was authorized by the 2008 General Assembly in the amount of \$50 million for projects associated with Base Re-alignment and Closure (BRAC) activities in and around Fort Knox. The 2009 General Assembly authorized bonds in the amount of \$400 million to support projects in the adopted Six-Year Highway Plan. The 2010 Special Session of the General Assembly authorized \$112 million in BRAC bonds to complete the projects in Fort Knox and \$400 million in bonds for projects included in the Biennial Highway Construction Plan. All but \$125 million of the \$400 million in bonds authorized by the 2010 Special Session of the General Assembly have been issued.

Through lease agreements with the Turnpike Authority of Kentucky and the Asset and Liability Commission, the Transportation Cabinet provides funds to pay the Toll Road, Resource Recovery Road, and the Economic Development Road revenue bonds. In the Debt Service program, funds are reserved exclusively for semi-annual lease rental payments to meet the principal and interest requirements of these outstanding bonds, along with any administrative costs of the Turnpike Authority.

Policy

The American Recovery and Reinvestment Act of 2009 created a new debt instrument for tax-exempt municipal bond issuers, called Build America Bonds. Municipal bond issuers could issue Build America Bonds for eligible tax-exempt purposes on a permanent basis only. The Commonwealth was eligible for a subsidy for bonds issued as Build America Bonds prior to December 31, 2010. Subsidies from the Build America Bonds shall lapse to the Road Fund. The amount of the Road Fund lapse is \$3,367,700 in fiscal year 2018-2019 and \$3,367,700 in fiscal year 2019-2020.

**Transportation
Highways**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	101,354,800	3,309,800	1,312,000	3,309,800	1,312,000
Current Receipts	107,736,800	110,613,400	111,311,500	111,332,100	111,887,900
Non-Revenue Receipts	78,788,500				
Total Restricted Funds	287,880,100	113,923,200	112,623,500	114,641,900	113,199,900
Federal Fund					
Current Receipts	725,106,300	734,853,400	736,450,900	734,670,300	735,446,300
Total Federal Fund	725,106,300	734,853,400	736,450,900	734,670,300	735,446,300
Road Fund					
Regular Appropriation	777,426,900	883,818,400	893,698,100	806,491,700	796,634,000
Surplus Expenditure Plan	57,237,100				
Total Road Fund	834,664,000	883,818,400	893,698,100	806,491,700	796,634,000
TOTAL SOURCE OF FUNDS	1,847,650,400	1,732,595,000	1,742,772,500	1,655,803,900	1,645,280,200
EXPENDITURES BY CLASS					
Personnel Costs	376,170,100	431,087,500	440,324,100	417,385,000	419,425,800
Operating Expenses	199,190,300	229,679,600	229,709,300	203,189,500	199,011,700
Grants Loans Benefits	12,399,500	12,398,300	12,398,300	12,398,300	12,398,300
Debt Service	97,500,000	95,240,600	95,141,400	95,240,600	95,141,400
Capital Outlay	835,400	831,300	831,300	831,300	831,300
Construction	1,158,245,300	962,045,700	964,368,100	925,447,200	918,471,700
TOTAL EXPENDITURES	1,844,340,600	1,731,283,000	1,742,772,500	1,654,491,900	1,645,280,200
EXPENDITURES BY FUND SOURCE					
Restricted Funds	284,570,300	112,611,200	112,623,500	113,329,900	113,199,900
Federal Fund	725,106,300	734,853,400	736,450,900	734,670,300	735,446,300
Road Fund	834,664,000	883,818,400	893,698,100	806,491,700	796,634,000
TOTAL EXPENDITURES	1,844,340,600	1,731,283,000	1,742,772,500	1,654,491,900	1,645,280,200
EXPENDITURES BY UNIT					
Research	4,817,400	4,817,400	4,817,400	4,527,400	4,527,400
Construction	1,329,647,300	1,139,828,800	1,144,582,400	1,098,022,600	1,091,969,700
Maintenance	352,760,500	420,267,900	425,635,200	380,756,000	375,062,000
Engineering Administration	15,262,200	17,759,700	18,151,100	24,210,900	26,118,700
Planning	16,115,900	16,397,000	16,441,100	15,388,700	15,231,200
Highway Operations	45,980,000	51,181,000	51,983,200	51,980,000	52,980,000
Equipment Services	69,083,500	69,083,500	69,083,500	68,932,500	68,717,400
Highway Safety	10,673,800	11,947,700	12,078,600	10,673,800	10,673,800
TOTAL EXPENDITURES	1,844,340,600	1,731,283,000	1,742,772,500	1,654,491,900	1,645,280,200

The Highways appropriation unit is the largest program in the Transportation Cabinet. There are eight programs in the Department of Highways: Research, Construction, Maintenance, Engineering Administration, Highway Planning, Highway Operations, Highway Safety and Equipment Services. The Construction program is divided into five subprograms: Bond Funded Construction, State Funded Construction, Federal Funded Construction, Toll Bond Funded Construction, and the TIFIA Loan program.

The Department of Highways is responsible for the construction, reconstruction, and maintenance of the State Primary Road System through authority granted by KRS 177.020. The Department is headed by a commissioner who is appointed by the Governor on recommendation of the Secretary of Transportation. This agency administers all of the programs within the Highways appropriation unit.

Combined travel by all motor vehicles over Kentucky's 78,000 miles of roads and streets equals over 47.6 billion vehicle-miles. The State Primary Road System carries about 85 percent of all traffic. This network consists of approximately 27,500 miles of interstate highways, resource recovery roads, parkways, economic development roads, primary, secondary, rural, and unclassified roads, and approximately 9,000 state maintained bridges. Kentucky's interstate system, consisting of approximately 800 miles, carries 27 percent of all travel.

**Transportation
Highways
Research**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Federal Fund					
Current Receipts	3,383,400	3,383,400	3,383,400	3,383,400	3,383,400
Total Federal Fund	3,383,400	3,383,400	3,383,400	3,383,400	3,383,400
Road Fund					
Regular Appropriation	1,434,000	1,434,000	1,434,000	1,144,000	1,144,000
Total Road Fund	1,434,000	1,434,000	1,434,000	1,144,000	1,144,000
TOTAL SOURCE OF FUNDS	4,817,400	4,817,400	4,817,400	4,527,400	4,527,400
EXPENDITURES BY CLASS					
Personnel Costs	4,527,400	4,519,400	4,519,400	4,527,400	4,527,400
Operating Expenses	290,000	298,000	298,000		
TOTAL EXPENDITURES	4,817,400	4,817,400	4,817,400	4,527,400	4,527,400
EXPENDITURES BY FUND SOURCE					
Federal Fund	3,383,400	3,383,400	3,383,400	3,383,400	3,383,400
Road Fund	1,434,000	1,434,000	1,434,000	1,144,000	1,144,000
TOTAL EXPENDITURES	4,817,400	4,817,400	4,817,400	4,527,400	4,527,400

The Research program is primarily a problem-solving service available to the Department of Highways. The program provides studies of traffic safety and operations, pavement mechanics and performance, materials characteristics and behavior, and transportation policies. The Research function is mandated by the Commonwealth's use of federal highway funds in accordance with Title 23 of the Federal Code which requires the use of 25 percent of funds for highway research and development. The Transportation Cabinet partners with the University of Kentucky Transportation Center to carry out research functions. The partnership conducts workshops on highway maintenance and management; traffic engineering, computerized signalization, signal technician certification, incident management/traffic mitigation, and provides on-demand technical assistance. The program maintains a lending library, including both written and audio-visual materials. The program also publishes a quarterly newsletter.

Policy

Notwithstanding KRS 177.320(4) the Executive Budget provides no funding for the Kentucky Transportation Center.

**Transportation
Highways
Construction**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	92,038,000				
Current Receipts	26,246,700	26,247,400	26,247,400	27,195,300	27,280,400
Non-Revenue Receipts	80,000,000				
Total Restricted Funds	198,284,700	26,247,400	26,247,400	27,195,300	27,280,400
Federal Fund					
Current Receipts	702,750,400	712,376,600	713,954,900	713,041,600	713,975,100
Total Federal Fund	702,750,400	712,376,600	713,954,900	713,041,600	713,975,100
Road Fund					
Regular Appropriation	371,375,100	401,204,800	404,380,100	357,785,700	350,714,200
Surplus Expenditure Plan	57,237,100				
Total Road Fund	428,612,200	401,204,800	404,380,100	357,785,700	350,714,200
TOTAL SOURCE OF FUNDS	1,329,647,300	1,139,828,800	1,144,582,400	1,098,022,600	1,091,969,700
EXPENDITURES BY CLASS					
Personnel Costs	99,309,700	108,497,100	111,213,800	102,895,800	103,917,600
Operating Expenses	153,300				
Grants Loans Benefits	9,052,000	9,052,000	9,052,000	9,052,000	9,052,000
Debt Service	97,500,000	95,240,600	95,141,400	95,240,600	95,141,400
Construction	1,123,632,300	927,039,100	929,175,200	890,834,200	883,858,700
TOTAL EXPENDITURES	1,329,647,300	1,139,828,800	1,144,582,400	1,098,022,600	1,091,969,700
EXPENDITURES BY FUND SOURCE					
Restricted Funds	198,284,700	26,247,400	26,247,400	27,195,300	27,280,400
Federal Fund	702,750,400	712,376,600	713,954,900	713,041,600	713,975,100
Road Fund	428,612,200	401,204,800	404,380,100	357,785,700	350,714,200
TOTAL EXPENDITURES	1,329,647,300	1,139,828,800	1,144,582,400	1,098,022,600	1,091,969,700
EXPENDITURES BY UNIT					
Bond Funded Construction	171,766,300				
State Funded Construction	416,406,000	388,187,600	341,277,900	346,256,400	289,270,000
Federal Funded Construction	741,475,000	751,641,200	803,304,500	751,766,200	802,699,700
TOTAL EXPENDITURES	1,329,647,300	1,139,828,800	1,144,582,400	1,098,022,600	1,091,969,700

The Construction program is the largest single funding component within the Highways appropriation unit. It encompasses all construction and major reconstruction of roadways in the State Primary Road System. The Construction Program is divided into five sub-programs: Bond Funded Construction, State Funded Construction, Federal Funded Construction, Toll Bond Funded Construction, and the TIFIA Loan program. KRS 45.750(3) exempts road projects, including associated equipment and land acquisition purchases, from the capital construction statutes outlined in KRS Chapter 45.760 - 45.810.

Several different road systems constructed in the Commonwealth over the last 40 years have used Bond Funded Construction. General obligation bonds were sold to finance the original construction of the Interstate System. The Turnpike Authority of Kentucky sold revenue bonds to fund construction of the toll road system that crisscrosses the state. Tolls on these parkways were removed once the bonds were paid. Resource recovery bonds were sold in the late 1970s for construction of the Resource Recovery Road System, a network of highways over which coal resources could be efficiently hauled. The Turnpike Authority received authorization to sell bonds in 1984, 1987, 1990, 1993, 1995, 1999, 2005, 2006, 2008, 2009, and 2010 for projects identified as part of the Economic Development Road System. The Authority received authorization in 2008 and 2010 to issue bonds to support road projects specifically related to the Base Re-alignment and Closure (BRAC) activities in and around Fort Knox. All of the roads constructed using proceeds from Turnpike Authority bonds are built by the Cabinet on behalf of the Authority, and then are leased to the Cabinet until the bonds are retired. At that time they are transferred to the Cabinet and become a part of the state highway system.

The State Funded Construction program provides for many highway improvement needs, emergency needs, industrial access roads, parkway and primary road pavement rehabilitation, and other projects for which federal funding is not available. The state resurfacing program is a part of this sub-program area and provides for resurfacing of roads in the state maintained highway system. The Highway Construction Contingency account, authorized in KRS 45.247, is also included in the State-Funded Construction program.

The Federal Construction program addresses the major construction, reconstruction, and rehabilitation needs for nearly 12,000 miles of interstate, primary, secondary, urban systems, and Appalachian routes across the state. This funding is provided under Titles 23 and 40 of the US Code. From fiscal year 2005 to fiscal year 2008, \$440 million in Grant Anticipation Revenue Vehicle (GARVEE) bonds were appropriated to support interstate projects along I-64, I-75, and I-65. In addition, GARVEE bonds totaling \$336 million were authorized in 2008 and 2010 for the Louisville Bridges project. The 2010 Special Session of the General Assembly authorized \$330 million in GARVEE bonds for the US-68/KY-80 Lake Barkley and Kentucky Lake Bridges Project. For display purposes, the GARVEE bonds are located in the Bond Funded Construction program. However, the debt service to support the GARVEE bonds is located in the Federal Fund Construction program.

House Bill 4 from the 2009 Special Session of the General Assembly created the Kentucky Public Transportation Infrastructure Authority (KPTIA) to facilitate the construction, financing, operation, and oversight of mega-projects. According to the Federal Highway Administration, mega-projects are projects that have a total cost of \$500 million or more. The Authority has the power to finance mega-projects through the use of tolls, funds from any GARVEE, funds appropriated by the state or federal government, and any other funds pledged for their purpose.

Policy

The Executive Budget authorizes the Secretary of Transportation to continue the Cash Management program, formerly known as the Pre-financing Road Projects program, authorized by the Appropriations Act since the 2000-2002 biennium. The Cash Management program allows the Cabinet to expedite projects in the Biennial Highway Construction Plan by managing Road Fund cash, while ensuring that expenditures remain within enacted appropriations.

**Transportation
Highways
Maintenance**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Current Receipts	3,687,900	3,687,900	3,687,900	3,687,900	3,687,900
Total Restricted Funds	3,687,900	3,687,900	3,687,900	3,687,900	3,687,900
Road Fund					
Regular Appropriation	349,072,600	416,580,000	421,947,300	377,068,100	371,374,100
Total Road Fund	349,072,600	416,580,000	421,947,300	377,068,100	371,374,100
TOTAL SOURCE OF FUNDS	352,760,500	420,267,900	425,635,200	380,756,000	375,062,000
EXPENDITURES BY CLASS					
Personnel Costs	184,125,600	217,271,100	221,952,100	204,321,600	202,335,700
Operating Expenses	165,575,200	199,543,500	200,043,500	173,374,700	169,666,600
Construction	3,059,700	3,453,300	3,639,600	3,059,700	3,059,700
TOTAL EXPENDITURES	352,760,500	420,267,900	425,635,200	380,756,000	375,062,000
EXPENDITURES BY FUND SOURCE					
Restricted Funds	3,687,900	3,687,900	3,687,900	3,687,900	3,687,900
Road Fund	349,072,600	416,580,000	421,947,300	377,068,100	371,374,100
TOTAL EXPENDITURES	352,760,500	420,267,900	425,635,200	380,756,000	375,062,000

Kentucky has invested approximately \$19 billion in its highway infrastructure which is comprised of right-of-way, roadways, and bridges. KRS 176.050 assigns the responsibility for operating and maintaining this highway infrastructure to the Department of Highways. The Maintenance program's role is to operate and maintain the roadways, bridges, rest areas, and traffic control devices on all state-maintained highways. Two organizational units under the Office of Project Delivery and Preservation administer the Maintenance program: the Division of Maintenance and the Division of Traffic Operations. The duties of this unit are explained in Kentucky Revised Statutes 175.580, 175.610, 176.050, 176.051, 177.020, 177.410, 177.530, 177.550, 177.830-890, 177.905-990, and 180.290.

The Division of Maintenance responsibilities are broken down into two areas. The Roadway Preservation program maintains approximately 15,000 miles of state primary highways and 13,000 miles of rural secondary highways. The Pavement and Operations Management personnel inspect and evaluate pavement conditions on over 27,000 miles of state-maintained roads, determine strategies for improvement, estimate funding needs, and recommend annual priorities. The Bridge Preservation program is responsible for all state-maintained bridges, except those on the Rural Secondary system.

Revolving Maintenance serves as a materials revolving mechanism for refurbishing damaged guardrail. Damaged guardrail is shipped to Frankfort, straightened and re-galvanized, and is placed back into service as needs arise.

Capital Improvements is a subset of the Division of Maintenance for coordinating with the Kentucky State Police vehicle accident data in order to establish priorities for installing new guardrail in locations it does not currently exist.

The Rest Area Operations/Maintenance program provides sanitary and accessible restroom facilities and other convenient services for motorists traveling through the state. There are 26 rest area and welcome center locations and two truck rest haven locations.

The Division of Traffic Operations is responsible for the installation and maintenance of traffic control devices on over 27,000 miles of highways. This division uses a multitude of Intelligent Transportation Systems to communicate, control, detect and process data to effectively move traffic through the state in the safest manner possible.

Policy

The Executive Budget provides an additional \$2,500,000 Road Fund in each year to implement an inspection and maintenance program for guardrail end treatment and cable barrier systems.

The Executive Budget provides an additional \$5,000,000 Road Fund in each year to address hazardous trees that have been damaged or killed by recent introduction of diseases or invasive insects such as the emerald ash borer. Dead and dying trees along state maintained highways pose a risk to the traveling public.

The Executive Budget provides an additional \$6,000,000 Road Fund in fiscal year 2018-2019 and \$6,500,000 in fiscal year 2019-2020 for contract mowing.

**Transportation
Highways
Engineering Administration**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Road Fund					
Regular Appropriation	15,262,200	17,759,700	18,151,100	24,210,900	26,118,700
Total Road Fund	15,262,200	17,759,700	18,151,100	24,210,900	26,118,700
TOTAL SOURCE OF FUNDS	15,262,200	17,759,700	18,151,100	24,210,900	26,118,700
EXPENDITURES BY CLASS					
Personnel Costs	13,616,300	16,120,600	16,512,000	22,571,800	24,479,600
Operating Expenses	1,310,500	1,307,800	1,307,800	1,307,800	1,307,800
Capital Outlay	335,400	331,300	331,300	331,300	331,300
TOTAL EXPENDITURES	15,262,200	17,759,700	18,151,100	24,210,900	26,118,700
EXPENDITURES BY FUND SOURCE					
Road Fund	15,262,200	17,759,700	18,151,100	24,210,900	26,118,700
TOTAL EXPENDITURES	15,262,200	17,759,700	18,151,100	24,210,900	26,118,700

There are nine divisions organized under the State Highway Engineer's Office.

The Division of Construction supervises highway construction projects, providing administrative support for central office and district construction projects. It also assists the Division of Materials staff in sampling and testing materials used in construction projects.

The Division of Materials establishes standards and controls relating to the quality of materials for the construction, maintenance, and operation of highways and bridges. The Division also develops, coordinates, and controls testing procedures that are conducted in the field.

The Division of Structural Design develops and prepares contract plans for all highway structures, as well as any special structures that the Transportation Cabinet builds as part of Kentucky's system of roads. The Division also designs and prepares plans for structural repair and rehabilitation of existing bridges, as well as the design of all overhead sign structures.

The Division of Highway Design, in conjunction with the district design offices, is responsible for the required design activities of the Cabinet's Six-Year Road Plan projects, including the preparation, assembly, and reproduction of construction plans for a project's award.

The Division of Environmental Analysis provides all environmental studies and documents required by federal agencies for federal-aid transportation projects and for state funded projects that require federal permits. The division ensures compliance with all federal laws and regulations.

The Division of Right-of-Way and Utilities acquires property required for the construction and reconstruction of highways. This function involves obtaining title reports, performing appraisals and appraisal reviews, conducting negotiations, providing relocation assistance, facilitating property management, and initiating condemnation procedures on properties affected by proposed projects.

The Division of Program Management is responsible for developing Kentucky's Biennial Six-Year Road Plan.

The Division of Planning provides the day-to-day administration and support for personnel involved in the Highway Planning program activities, including management, clerical support, training, and other overhead expenditures.

The Division of Professional Services is responsible for procuring the Cabinet's professional services relating to road contracts. This division advertises for engineering services, administers the pre-qualification process for consulting services, provides assistance to selection committees for contract awards, negotiates fees for consulting work sought by the Cabinet, and routinely confers with the Finance and Administration Cabinet and the Legislative Research Commission with respect to contract awards.

**Transportation
Highways
Planning**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Federal Fund					
Current Receipts	13,383,600	13,383,600	13,383,600	12,656,400	12,498,900
Total Federal Fund	13,383,600	13,383,600	13,383,600	12,656,400	12,498,900
Road Fund					
Regular Appropriation	2,732,300	3,013,400	3,057,500	2,732,300	2,732,300
Total Road Fund	2,732,300	3,013,400	3,057,500	2,732,300	2,732,300
TOTAL SOURCE OF FUNDS	16,115,900	16,397,000	16,441,100	15,388,700	15,231,200
EXPENDITURES BY CLASS					
Personnel Costs	15,278,300	15,561,800	15,605,900	14,553,500	14,396,000
Operating Expenses	837,600	835,200	835,200	835,200	835,200
TOTAL EXPENDITURES	16,115,900	16,397,000	16,441,100	15,388,700	15,231,200
EXPENDITURES BY FUND SOURCE					
Federal Fund	13,383,600	13,383,600	13,383,600	12,656,400	12,498,900
Road Fund	2,732,300	3,013,400	3,057,500	2,732,300	2,732,300
TOTAL EXPENDITURES	16,115,900	16,397,000	16,441,100	15,388,700	15,231,200

The Planning program is responsible for administrative and technical support and implements transportation planning activities statewide. The program is charged with a variety of statewide planning initiatives including: rail planning, carpooling, alternative fuel, bikeway, pedway, and ferry operations. In addition, it coordinates the Kentucky Scenic Highway and Byway System, manages the traffic data collection and processing equipment, maintains the Highway Information System, and coordinates air quality conformity with several state and federal agencies.

Highway Planning evaluates state-maintained streets and highways to ensure that available federal and state funds are utilized to maximum efficiency. The Planning unit maintains an inventory of all roadway classifications and prepares city, county, and state road maps for sale and distribution. The program also furnishes statistics required by the Federal Highway Administration and state and local government decision-makers.

Metropolitan Planning maintains and distributes federal funding to nine metropolitan planning organizations (MPOs) to implement the continuing, comprehensive, and cooperative planning process, which is mandated by federal law. The MPOs study the impact of transportation operations in urbanized areas concerning congestion management, air quality, environmental issues, public involvement, land use and development, and public transportation.

Area Development Districts (ADDs) Assistance administers a regional planning and public participation process in the state's 15 ADDs as part of the Cabinet's overall statewide transportation planning process, as required by 23 USC and 23 CFR 450. The Cabinet contracts with each ADD for activities in support of the regional and statewide planning process, including public involvement, data collection, analysis, identification of needs, project recommendations, regional prioritization of projects, and technical assistance and review.

**Transportation
Highways
Highway Operations**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Current Receipts	14,718,700	13,585,400	13,597,700	13,507,200	13,507,200
Non-Revenue Receipts	-1,211,500				
Total Restricted Funds	13,507,200	13,585,400	13,597,700	13,507,200	13,507,200
Road Fund					
Regular Appropriation	32,472,800	37,595,600	38,385,500	38,472,800	39,472,800
Total Road Fund	32,472,800	37,595,600	38,385,500	38,472,800	39,472,800
TOTAL SOURCE OF FUNDS	45,980,000	51,181,000	51,983,200	51,980,000	52,980,000
EXPENDITURES BY CLASS					
Personnel Costs	37,458,700	42,702,600	43,504,800	43,501,600	44,501,600
Operating Expenses	8,021,300	7,978,400	7,978,400	7,978,400	7,978,400
Capital Outlay	500,000	500,000	500,000	500,000	500,000
TOTAL EXPENDITURES	45,980,000	51,181,000	51,983,200	51,980,000	52,980,000
EXPENDITURES BY FUND SOURCE					
Restricted Funds	13,507,200	13,585,400	13,597,700	13,507,200	13,507,200
Road Fund	32,472,800	37,595,600	38,385,500	38,472,800	39,472,800
TOTAL EXPENDITURES	45,980,000	51,181,000	51,983,200	51,980,000	52,980,000

In accordance with KRS Chapter 176, the Highway Operations program provides leadership, management, and central administrative support and funding for central office and district operations for the Transportation Cabinet's Department of Highways. The Commissioner of Highways oversees the Department, which includes the State Highway Engineer's Office, three offices which include 14 divisions, and 12 district offices across the state. In the 12 district offices, the Chief District Engineer manages the road project functions and reports to the State Highway Engineer.

The State Highway Engineer's Office manages and coordinates the engineering functions of the Cabinet, reviews management, engineering, and personnel reports and recommendations from the engineering and professional divisions, staff and Deputy State Highway Engineers. In addition, the Office administers the Cabinet's Engineering Scholarship program and the Engineering Graduate Training program, coordinates the Research program, and manages special projects, such as the Louisville Bridges project.

Contract procurement activities are also a part of the Highway Operations program and include prequalifying road contractors, advertising bids for road construction projects, awarding contracts, and issuing work orders and monitoring required contract provisions.

In fiscal year 2016-2017, the Transportation Cabinet began collecting a portion of the toll revenue from the Louisville-Southern Indiana Ohio River Bridges project to fund toll system operations and maintenance and administrative costs of the Kentucky Public Transportation Infrastructure Authority (KPTIA). The toll revenue is collected in an enterprise fund within the Transportation Cabinet, and the costs that it supports are included in the above restricted funds.

**Transportation
Highways
Equipment Services**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	9,305,000	3,305,000	1,305,000	3,305,000	1,305,000
Current Receipts	63,083,500	67,083,500	67,778,500	66,932,500	67,412,400
Total Restricted Funds	72,388,500	70,388,500	69,083,500	70,237,500	68,717,400
TOTAL SOURCE OF FUNDS	72,388,500	70,388,500	69,083,500	70,237,500	68,717,400
EXPENDITURES BY CLASS					
Personnel Costs	16,229,900	19,233,300	19,703,000	19,082,300	19,336,900
Operating Expenses	21,300,300	18,296,900	17,827,200	18,296,900	17,827,200
Construction	31,553,300	31,553,300	31,553,300	31,553,300	31,553,300
TOTAL EXPENDITURES	69,083,500	69,083,500	69,083,500	68,932,500	68,717,400
EXPENDITURES BY FUND SOURCE					
Restricted Funds	69,083,500	69,083,500	69,083,500	68,932,500	68,717,400
TOTAL EXPENDITURES	69,083,500	69,083,500	69,083,500	68,932,500	68,717,400

The mission of the Equipment Services program is to provide highway construction and maintenance equipment for use by the Department of Highways. The unit purchases and maintains all the Cabinet's trucks, heavy equipment, and various pieces of support machinery. This program provides its services through the central office garage in Frankfort and a network of 12 repair garages located throughout the state.

**Transportation
Highways
Highway Safety**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	11,800	4,800	7,000	4,800	7,000
Current Receipts		9,200		9,200	
Total Restricted Funds	11,800	14,000	7,000	14,000	7,000
Federal Fund					
Current Receipts	5,588,900	5,709,800	5,729,000	5,588,900	5,588,900
Total Federal Fund	5,588,900	5,709,800	5,729,000	5,588,900	5,588,900
Road Fund					
Regular Appropriation	5,077,900	6,230,900	6,342,600	5,077,900	5,077,900
Total Road Fund	5,077,900	6,230,900	6,342,600	5,077,900	5,077,900
TOTAL SOURCE OF FUNDS	10,678,600	11,954,700	12,078,600	10,680,800	10,673,800
EXPENDITURES BY CLASS					
Personnel Costs	5,624,200	7,181,600	7,313,100	5,931,000	5,931,000
Operating Expenses	1,702,100	1,419,800	1,419,200	1,396,500	1,396,500
Grants Loans Benefits	3,347,500	3,346,300	3,346,300	3,346,300	3,346,300
TOTAL EXPENDITURES	10,673,800	11,947,700	12,078,600	10,673,800	10,673,800
EXPENDITURES BY FUND SOURCE					
Restricted Funds	7,000	7,000	7,000	7,000	7,000
Federal Fund	5,588,900	5,709,800	5,729,000	5,588,900	5,588,900
Road Fund	5,077,900	6,230,900	6,342,600	5,077,900	5,077,900
TOTAL EXPENDITURES	10,673,800	11,947,700	12,078,600	10,673,800	10,673,800

The Office of Transportation Safety is headed by an Executive Director who reports directly to the State Highway Engineer. The Office includes the Division of Incident Management and the Division of Highway Safety Programs. The Motorcycle Advisory Commission for Highway Safety is attached for administrative purposes.

The Division of Incident Management manages the Transportation Operations Center and coordinates highway incident management including providing information to travelers and providing assistance to stranded motorists and law enforcement agencies at the scene of highway incidents.

The Division of Highway Safety Programs is charged with coordinating efforts to reduce fatalities, injuries, and crashes on Kentucky's highway systems.

Transportation
Public Transportation

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,728,200	5,728,200	5,728,200	5,370,200	5,370,200
Continuing Approp-General Fund	170,600				
Budget Reduction-General Fund	-319,000				
Total General Fund	5,579,800	5,728,200	5,728,200	5,370,200	5,370,200
Restricted Funds					
Balance Forward	101,000				
Current Receipts	597,700	785,600	805,100	775,400	861,900
Total Restricted Funds	698,700	785,600	805,100	775,400	861,900
Federal Fund					
Current Receipts	43,817,700	25,788,900	25,788,900	25,781,600	25,768,300
Total Federal Fund	43,817,700	25,788,900	25,788,900	25,781,600	25,768,300
TOTAL SOURCE OF FUNDS	50,096,200	32,302,700	32,322,200	31,927,200	32,000,400
EXPENDITURES BY CLASS					
Personnel Costs	2,069,700	2,413,800	2,463,400	2,369,700	2,473,000
Operating Expenses	117,800	121,800	121,800	121,800	121,800
Grants Loans Benefits	47,908,700	29,767,100	29,737,000	29,435,700	29,405,600
TOTAL EXPENDITURES	50,096,200	32,302,700	32,322,200	31,927,200	32,000,400
EXPENDITURES BY FUND SOURCE					
General Fund	5,579,800	5,728,200	5,728,200	5,370,200	5,370,200
Restricted Funds	698,700	785,600	805,100	775,400	861,900
Federal Fund	43,817,700	25,788,900	25,788,900	25,781,600	25,768,300
TOTAL EXPENDITURES	50,096,200	32,302,700	32,322,200	31,927,200	32,000,400
EXPENDITURES BY UNIT					
Public Transportation	49,111,400	31,192,300	31,192,300	30,853,600	30,840,300
Multi-Modal Transportation	424,800	424,800	424,800	398,200	398,200
Human Services Delivery	560,000	685,600	705,100	675,400	761,900
TOTAL EXPENDITURES	50,096,200	32,302,700	32,322,200	31,927,200	32,000,400

The Public Transportation appropriation unit is comprised of three programs: Public Transportation, Multi-Modal, and Human Services Transportation Delivery. The Public Transportation program offers technical and financial assistance to public transportation providers and the metropolitan planning organizations throughout the state through the following federal programs: Sections 5303, 5307, 5309, 5310, 5311, 5316, and 5317. Federal Funds, combined with General Fund and local matching funds, allow public transit authorities to acquire buses and vans.

Also included in the Public Transportation program is funding for Non-public School Transportation, a program that provides grants to non-public schools so that they may offer bus service to their students.

The Multi-Modal program partners with the 15 area development districts with respect to regional and statewide transportation planning processes. This partnership generates public involvement with respect to identifying and prioritizing needs and assists in the project recommendation process, including the coordination of the Statewide Transportation Plan, the State Transportation Improvement program, and the Six-Year Highway Plan.

The Human Service Transportation Delivery program is a partnership between the Transportation Cabinet, the Medicaid program, the Office for Vocational Rehabilitation, and the Office for the Blind. This partnership provides non-emergency medical transportation, jobs access transportation, and transportation to day care facilities. The program also partners with the Veterans' Program Trust Fund to provide transportation services for veterans.

Policy

The Executive Budget provides for the use of Toll Credits to be used by the Office of Transportation Delivery and public transit authorities as the match for federal funds.

**Transportation
Revenue Sharing**

SOURCE OF FUNDS	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
Road Fund					
Regular Appropriation	332,030,200	339,256,800	340,049,100	336,462,200	337,435,200
Other	4,927,000				
Total Road Fund	336,957,200	339,256,800	340,049,100	336,462,200	337,435,200
TOTAL SOURCE OF FUNDS	336,957,200	339,256,800	340,049,100	336,462,200	337,435,200
EXPENDITURES BY CLASS					
Personnel Costs	4,563,900	5,325,900	5,567,600	4,973,600	4,982,600
Operating Expenses	3,216,800	3,236,500	3,236,500	3,236,500	3,236,500
Grants Loans Benefits	181,259,100	182,604,000	183,020,000	180,955,100	181,475,100
Construction	147,917,400	148,090,400	148,225,000	147,297,000	147,741,000
TOTAL EXPENDITURES	336,957,200	339,256,800	340,049,100	336,462,200	337,435,200
EXPENDITURES BY FUND SOURCE					
Road Fund	336,957,200	339,256,800	340,049,100	336,462,200	337,435,200
TOTAL EXPENDITURES	336,957,200	339,256,800	340,049,100	336,462,200	337,435,200
EXPENDITURES BY UNIT					
County Road Aid	127,467,300	128,299,900	128,592,700	127,139,300	127,505,300
Rural Secondary	154,632,500	155,642,600	155,997,800	154,234,500	154,678,500
Municipal Aid	53,663,800	53,984,100	54,107,300	53,495,800	53,649,800
Energy Recovery	320,000	320,000	320,000	320,000	320,000
Rural and Municipal Aid	873,600	1,010,200	1,031,300	1,272,600	1,281,600
TOTAL EXPENDITURES	336,957,200	339,256,800	340,049,100	336,462,200	337,435,200

There are five components of the Revenue Sharing program: the County Road Aid program, authorized by KRS 179.410 - 179.440; the Rural Secondary Aid program, authorized by KRS 177.320; the Municipal Road Aid program, authorized by KRS 177.365 – 177.366; the Energy Recovery Road program, authorized by KRS 177.977-177.978; and other Special Programs.

The County Road Aid, Rural Secondary Aid, and Municipal Aid programs receive a portion of the state's motor fuels tax collections. The County Road Aid program receives 18.3 percent of motor fuels tax collections which is distributed to counties for the construction, reconstruction and maintenance of county roads and bridges. The Rural Secondary Aid program receives 22.2 percent of motor fuels tax collections, and funds are used to repair and maintain rural and secondary roads. Funds for both programs are allocated through a formula known as the "formula of fifths," as stated in KRS 177.360. Each county receives a portion of the statewide total as follows: one fifth is divided evenly among all counties, one fifth is divided proportionately based on the amount of rural population in each county, one fifth is distributed on the basis of rural road mileage in each county, and two fifths is apportioned according to each county's share of the total land area in the state.

The Municipal Road Aid program is funded by 7.7 percent of motor fuels tax collections. Distribution is made through a formula based upon the population contained in each city or unincorporated urban area.

Pursuant to KRS 183.220(3), two and one-tenth cents (\$0.021) of the tax collected under the motor fuel tax are excluded from the calculations of revenue sharing distributions as prescribed in KRS 177.320(1) (the Rural Secondary program), KRS 177.320(2) (the County Road Aid program), and KRS 177.365 (the Municipal Road Aid program).

Forty percent of the revenues collected from extended vehicle weight fees support the Energy Recovery Road System. Funds are distributed to the counties for the county-maintained portion of that system. The fund distribution is based on (1) the ratio of miles of roads in each county within this system to the total system miles, and (2) the ratio of the total tons of coal transported over the roads in each county to the total tons reported for the entire state. The Transportation Cabinet has the authority to expend the remaining 60 percent on the roads in the system.

The Special Programs budget unit includes the Commissioner's Office, the Office of Local Programs, the Kentucky Bicycle and Bikeway Commission, and the Bicycle and Pedestrian Program.

Policy

The Motor Fuels revenue estimate for the fiscal biennium 2018-2020, upon which the Road Fund appropriations in the Revenue Sharing program are based, is \$758,250,000 in fiscal year 2018-2019 and \$760,250,000 for fiscal year 2019-2020.

**Transportation
Vehicle Regulation**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	8,319,800	5,921,200	6,912,800	5,921,200	1,130,600
Current Receipts	19,128,000	19,640,000	19,885,000	20,700,800	20,514,800
Non-Revenue Receipts	-57,000	-3,199,800	-55,000	-3,199,800	-55,000
Fund Transfers	-4,200,000			-6,944,800	-6,000,000
Total Restricted Funds	23,190,800	22,361,400	26,742,800	16,477,400	15,590,400
Federal Fund					
Current Receipts	4,600,000	4,600,000	4,600,000	4,634,500	4,637,700
Total Federal Fund	4,600,000	4,600,000	4,600,000	4,634,500	4,637,700
Road Fund					
Regular Appropriation	27,902,200	30,730,600	27,908,700	30,364,200	27,323,400
Total Road Fund	27,902,200	30,730,600	27,908,700	30,364,200	27,323,400
TOTAL SOURCE OF FUNDS	55,693,000	57,692,000	59,251,500	51,476,100	47,551,500
EXPENDITURES BY CLASS					
Personnel Costs	22,059,800	24,915,900	25,346,600	24,726,400	24,969,500
Operating Expenses	18,713,200	16,699,500	16,625,300	16,652,800	16,605,300
Grants Loans Benefits	4,217,500	4,415,000	4,480,000	4,217,500	4,217,500
Debt Service	4,781,300	4,748,800	1,604,000	4,748,800	1,604,000
TOTAL EXPENDITURES	49,771,800	50,779,200	48,055,900	50,345,500	47,396,300
EXPENDITURES BY FUND SOURCE					
Restricted Funds	17,269,600	15,448,600	15,547,200	15,346,800	15,435,200
Federal Fund	4,600,000	4,600,000	4,600,000	4,634,500	4,637,700
Road Fund	27,902,200	30,730,600	27,908,700	30,364,200	27,323,400
TOTAL EXPENDITURES	49,771,800	50,779,200	48,055,900	50,345,500	47,396,300
EXPENDITURES BY UNIT					
Commissioner	1,471,700	1,710,900	1,747,800	1,697,300	1,716,200
Drivers Licensing	13,269,500	14,620,100	14,650,900	14,528,400	14,515,900
Motor Carriers	9,577,000	10,285,500	10,390,700	10,200,700	10,265,900
Motor Vehicle Licensing	23,250,600	21,699,000	18,762,200	21,471,500	18,427,900
Customer Service	1,100,900	1,229,700	1,249,600	1,222,400	1,233,500
Motor Vehicle Commission	1,102,100	1,234,000	1,254,700	1,225,200	1,236,900
TOTAL EXPENDITURES	49,771,800	50,779,200	48,055,900	50,345,500	47,396,300

The Department of Vehicle Regulation includes the Commissioner's Office and the following divisions: Driver Licensing, Motor Carriers, Motor Vehicle Licensing, and Customer Service. The Motor Vehicle Commission is also attached to the Department for administrative purposes.

Under KRS Chapters 186, 187, 189A, 218A, 281A, and KRS 159.051, the Division of Driver Licensing maintains driver history records for approximately three million drivers. The Division issues licenses to commercial drivers who meet statutory requirements. The Division also enforces driver's license suspensions, revocations, and driver limitation programs. It operates State Traffic School programs, including the Graduated Licensing program.

The Division of Motor Carriers is responsible for the regulation of the trucking and lease/rental industries. The division also collects various taxes from the motor carrier industry, including the weight-distance tax.

The Division of Motor Vehicle Licensing provides for the titling and registration of motor vehicles and boats in accordance with KRS Chapters 186, 186A, 235, and 376. It maintains the Automated Vehicle Information System (AVIS) and controls title distribution functions. Registration and title applications are initiated through local county clerks' offices.

Newly created in 2012, the Division of Customer Service provides a single point of contact for all telephone calls to the Department of Vehicle Regulation in support of over 3 million public customers, Circuit Clerks, County Clerks, and

commercial businesses.

Pursuant to KRS Chapter 190, the Kentucky Motor Vehicle Commission licenses and regulates motor vehicle manufacturers, dealers, and salespersons. It is funded through license fees that are deposited into a Restricted Fund account.

Policy

The 2015 General Assembly created the Ignition Interlock License program for drunk driving offenders as outlined in Senate Bill 133. The Transportation Cabinet administers the application process for the program for a fee that is deposited into the Road Fund. The above appropriation includes \$184,200 in each fiscal year for administration of the program. Restricted Funds collected under the provisions of KRS 45.345 and KRS 138.710(2) may be used to administer the Ignition Interlock License program.

Statewide

**Statewide
Budget Reserve Trust Fund**

	Revised FY 2018	Requested FY 2019	Requested FY 2020	Recommended FY 2019	Recommended FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation				62,414,100	183,378,000
Continuing Approp-General Fund	150,491,500	11,779,983	11,779,983	8,054,200	70,468,300
Mandated Allotments	-85,725,800				
Other	-56,711,500				
Total General Fund	8,054,200	11,779,983	11,779,983	70,468,300	253,846,300
TOTAL SOURCE OF FUNDS	8,054,200	11,779,983	11,779,983	70,468,300	253,846,300
EXPENDITURES BY CLASS					
TOTAL EXPENDITURES					
EXPENDITURES BY FUND SOURCE					
TOTAL EXPENDITURES					
EXPENDITURES BY UNIT					
TOTAL EXPENDITURES					

The Budget Reserve Trust Fund is the Commonwealth's "Rainy Day Fund." KRS 48.705 provides for deposits to the Budget Reserve Trust Fund from direct appropriations, excess receipts, and unexpended appropriations, up to five percent of actual General Fund revenue receipts. These funds are appropriated and available in the event that actual General Fund revenue receipts during the biennium are not sufficient to meet the General Fund appropriation levels authorized in the budget. These funds are also available as a resource for Necessary Governmental Expenses when there is no General Fund surplus.

Policy

The 2016-2018 enacted budget withdrew \$56,711,500 in fiscal year 2018 from the Budget Reserve Trust Fund. It is estimated that \$85 million will be needed to fund Necessary Governmental Expenses in fiscal year 2018.

The net effect is a balance in fiscal year 2019 of approximately \$8 million, representing 0.07 percent of budgeted revenues.

The Executive Budget includes \$62,414,100 in fiscal year 2019 and \$183,378,000 in fiscal year 2020 to the Budget Reserve Trust Fund, which would bring the balance up to \$253,846,300, which is 2.3 percent of the fiscal year 2020 General Fund revenue estimate.

The Executive Budget directs any General Fund surplus to the Budget Reserve Trust Fund, after allowing for sufficient resources for items authorized as necessary government expenses.

KRS 48.705(3) targets a Budget Reserve Trust Fund balance of five percent of actual General Fund receipts collected during the fiscal year just ended (approximately \$550 million). The Executive Budget moves toward that objective with a Budget Reserve Trust Fund balance of over \$250 million on June 30, 2020.

Statewide
Kentucky Permanent Pension Fund

The Kentucky Permanent Pension Fund was created by the 2016 General Assembly and is now codified in KRS 42.205. The purpose of the fund is to address the Commonwealth's unfunded pension liabilities, and the statute stipulates that the fund shall be used only for contributions to the Commonwealth's public employee pension funds. The Kentucky Permanent Pension Fund is characterized as an Other Expendable Trust Fund for financial reporting purposes.

Policy

A deposit of \$26,354,485 was made from the fiscal year 2016-2017 General Fund surplus to the Kentucky Permanent Pension Fund as stipulated in Part VII of the 2016-2018 biennial appropriations act. That act also transferred \$125,000,000 from the Public Employee Health Insurance Fund to the Permanent Pension Fund in fiscal year 2018.

The 2016-2018 biennial appropriations act authorized up to \$3,000,000 from the Permanent Pension Fund to be used for a performance audit of state-administered retirement systems.

The Executive Budget suspends the provisions of KRS 42.205 and transfers \$75,000,000 in each year of the biennium from the Kentucky Permanent Pension Fund to the General Fund for the purpose of replenishing the Budget Reserve Trust Fund.